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# **CONFERENCE COMPARISON OF H.R. 3398**

## **AS PASSED BY THE HOUSE AND THE SENATE**

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**OCTOBER 2, 1984**

### **Prepared for the use of the Conferees**

**On behalf of the House:**

Mr. Rostenkowski  
Mr. Gibbons  
Mr. Jones of Oklahoma  
Mr. Jenkins  
Mr. Downey of New York  
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Mr. Hance  
Mr. Conable  
Mr. Vander Jagt  
Mr. Archer  
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**On behalf of the Senate:**

Mr. Dole  
Mr. Packwood  
Mr. Roth  
Mr. Danforth  
Mr. Long  
Mr. Bentsen  
Mr. Matsunaga

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| Item | Senate Bill   |
|------|---|
| 1.   | No provision.   |
| 2.   | No provision.   |
| 3.   | House sec. 169.   |
| 4.   | Creation of new tariff nomenclature for certain recently developed dairy products: whey protein concentrate, lactalbumin, and milk protein concentrate, and imposition of quantitative restraints on such products. |
| 5.   | Extends permanent column 1 duty-free treatment to meta-toluic acid, a chemical used to manufacture certain insect repellents.   |

| Section          | House Bill  |
|------------------|---|
| House sec. 112.  | Amends the Tariff Schedules of the United States to impose a column 1 rate of duty of 0.1 cent per gallon on imports of apple or pear juice.  |
| House sec. 115.  | Amends the Tariff Schedules of the United States to establish equal duty rates for various cordage products of virtually identical characteristics. The amendment would modify the definitions of "plexiform filaments" and "strips" resulting in certain cordage products which are currently classified as articles of rubber or plastics in schedule 7 of the TSUS being classified as textile products in schedule 3 at substantially higher rates of duty and subjecting such products to textile restraints under the MFA.<br><br>Equalizes the rates of duty between certain paper products and nonwoven man-made fiber articles by temporarily reducing the duty on bonded fiber fabric disposable sterile gowns of man-made fibers and bonded fiber fabric disposable surgical drapes of man-made fibers, until January 1, 1989. |
| Senate sec. 124. | No provision.   |
| Senate sec. 126. | No provision.   |

| Item | Senate Bill  |
|------|--|
| 6.   | Temporary staged-rate column 1 duty increase on melamine of additional 5.1% ad valorem, increased to 5.3% ad valorem effective on or after January 1, 1986, and on or before December 31, 1986.  |
| 7.   | No provision.  |
| 8.   | Addition of tariff-rate quota of 190,000,000 pounds per year for naphthas derived from petroleum, shale oil, natural gas, or combinations thereof, containing by weight over 5 percent of benzenoid products, provided for in TSUS item 407.16, at below quota rates of 0.25 cent per gallon (col. 1) and 0.5 cent per gallon (col.2). |
| 9.   | Provides duty increase for ferroalloys. The duty increase is in the amount of the "fair price differential" between the price of the imported product and the comparable domestic product. The "fair price" is to be determined annually by the Secretary of Commerce.   |
| 10.  | No provision.  |

| Section                          | House Bill   |
|----------------------------------|--|
| Senate sec. 157.                 | No provision.  |
| House sec. 114.                  | Amends the Tariff Schedules of the United States to ensure that imports of cellular panels and tongued, grooved, lapped, or otherwise edge-worked plywood and wood-veneer panels are classified under the tariff provisions for those three products, rather than as building boards. This will result in an increase in the applicable column 1 rates of duty of about 10% ad valorem.  |
| House sec. 117; Senate sec. 121. | Reclassification of naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (to equalize the tariff treatment of naphthas currently provided for as petroleum products and those classified as benzenoid chemicals) at the lower petroleum product rates of duty. Addition of new provision for "motor fuel blending stock" at motor fuel rates of duty resulting in a further reduction of duty for certain benzenoid chemicals. |
| Senate sec. 127.                 | No provision.  |
| House sec. 118.                  | Provides permanent column 1 duty-free treatment for imports of chipper knife steel which is not cold formed, effective April 1, 1985.  |

| Item | Senate Bill   |
|------|---|
| 11.  | Permanent column 1 duty-free treatment for water chestnuts and bamboo shoots as of June 30, 1983  |
| 12.  | Reclassification of orange juice to delineate between concentrated and nonconcentrated orange juice resulting in increased column 1 duties for concentrated and reconstituted orange juice, effective March 31, 1985.   |
| 13.  | Permanent duty-free treatment of articles exported under lease to a foreign manufacturer reimported into the U.S. if previously entered duty-free under the Caribbean Basin Economic Recovery Act or the Generalized System of Preferences. The legislation is retroactive to June 1, 1982. |
| 14.  | Specific reference to certain pipes and tubes under the TSUS provisions for parts of illuminating articles, provided the steel pipes and tubes are tapered and of certain dimensions that are suitable for use as supports for illuminating articles. Affirmation of recent court decision. |
| 15.  | Technical amendment to General Headnote 3(a)(i) correcting a cross-reference error.   |
| 16.  | Extends the duty suspension on textile fabrics for hovercraft skirts entered after June 30, 1983, until June 30, 1986.  |

| Section                          | House Bill   |
|----------------------------------|--|
| Senate Sec. 115.                 | No provision.  |
| House sec. 113; Senate sec. 117. | Identical in substance except House bill is effective 15 days after enactment.   |
| House sec. 120; Senate sec. 118. | Permanent duty-free treatment of articles imported under lease or similar use agreements, if previously imported duty-paid. Effective 15 days after enactment. |
| Senate sec. 122.                 | No provision.  |
| Senate sec. 125.                 | No provision.  |
| House sec. 168; Senate sec. 143. | Identical to Senate provision except for technical amendment.  |



| Item | Senate Bill   |
|------|---|
| 17.  | Temporary suspension of column 1 duty on m-xylenediamine (MXDA) and 1,3-bis [amino-methyl] cyclohexane (1,3-BAC) until June 30, 1987.   |
| 18.  | Temporary suspension of column 1 duty on 4,4 - bis (alpha, alpha-dimethylbenzyl) diphenylamine until June 30, 1987.   |
| 19.  | Temporary suspension of column 1 duty on flecainide acetate until June 30, 1987.  |
| 20.  | Temporary reduction of column 1 and LDDC rates of duty on watch glasses other than round watch glasses (watch crystals) until December 31, 1987. Provides for a staged rate reduction from 6.2% ad valorem upon enactment to 5.2% ad valorem on January 1, 1987.              |
| 21.  | Extension of temporary suspension of duty on unwrought lead entered after June 30, 1983 until June 30, 1988.  |
| 22.  | Temporary suspension of column 1 duty on certain menthol feedstocks, i.e., mixtures containing not less than 90% by weight of stereoisomers of 2-iso-propyl-5-methylcyclohexanol, but containing no more than 30% by weight of any one such stereoisomer until June 30, 1987. |

| Section                          | House Bill   |
|----------------------------------|--|
| House sec. 170; Senate sec. 144. | Identical to Senate provision except for item number of MXDA and House expiration date is 6/30/86.         |
| House sec. 171; Senate sec. 145. | Identical to Senate provision except for House expiration date of 6/30/86 and item number.                 |
| House sec. 172; Senate sec. 146. | Identical to Senate provision except House expiration date is 6/30/86                                      |
| House sec. 174; Senate sec. 148. | Substantially identical to Senate except House provides for column 1 duty rate of 5.2% by January 1, 1986. |
| House sec. 175; Senate sec. 149. | Identical to Senate provision except P.L. 96-609 expiration date is 7/1/88 instead of 7/1/86               |
| Senate sec. 151.                 | No provision.  |

| Item | Senate Bill  |
|------|--|
| 23.  | Temporary suspension of column 1 duty on 2-methyl, 4-chlorophenol until December 31, 1987.   |
| 24.  | Extends suspension of duty on unwrought alloys of cobalt entered after June 30, 1983, until June 30, 1985.   |
| 25.  | Temporary suspension of column 1 duty until December 31, 1986, on beta-naphthol, 6-amino-1-naphthol-3-sulfonic acid, and 2-(4-amino-phenyl)-6-methylbenzothiazole-7-sulfonic acid.   |
| 26.  | Temporary suspension of duty until December 31, 1987, on sulfamethazine, sulfaguanidine, sulfaquinoxaline, sulfanilamide, and acetylsulfaguanidine; and sulfathiazole until December 31, 1986. The suspension on sulfathiazole is made retroactive to December 31, 1983. |
| 27.  | Temporary suspension of column 1 duty on parts designed for use exclusively in permanent magnet, brushless, electronically commutated, direct current, computer memory disk drive spindle motors of less than one-tenth horsepower until December 31, 1985.              |
| 28.  | Extends duty suspension on 4-chloro-3-methylphenol entered after June 30, 1984, until June 30, 1987.   |
| 29.  | Extends duty suspension on clock radios until December 31, 1985.   |
| 30.  | Temporary suspension of column 1 duty on rifampin until December 31, 1986.   |

| Section   | House Bill  |
|---|---|
| Senate sec. 152.  | No provision.   |
| Senate sec. 153.  | No provision.   |
| House secs. 132, 135, and 136;<br>Senate sec. 154.        | Identical to Senate provision except House expiration date is 9/30/87.  |
| House secs. 139, 142, 143, 145, and 146; Senate sec. 155. | Identical to Senate provision except House provides "no change" instead of "free" in column 2 for acetylsulfaguanidine, House expiration date is 9/30/87, and House provides for repeal of sec. 136 (b) and (c) of P.L. 97-446. |
| Senate sec. 156.  | No provision.   |
| House sec. 133; Senate sec. 158.                          | Identical to Senate provision except House expiration date is 9/30/87.  |
| House sec. 161; Senate sec. 159.                          | Identical to Senate provision except House expiration date is 9/30/86, and House effective date is September 30, 1984, while Senate provision is effective 15 days after date of enactment.                                     |
| House sec. 155; Senate sec. 160.                          | Identical to Senate provision except House expiration date is 9/30/87.  |

| Item | Senate Bill  |
|------|--|
| 31.  | Temporary suspension of column 1 duty on mepenzolate bromide until December 31, 1987.  |
| 32.  | Temporary suspension of column 1 duty on diphenyl guanidine and di-ortho-tolyl guanidine until June 30, 1987.  |
| 33.  | Temporary suspension of column 1 duty on clomiphene citrate until June 30, 1986.   |
| 34.  | Temporary suspension of column 1 duty on terfenadine until June 30, 1986.  |
| 35.  | Temporary suspension of column 1 duty on dicyclomine hydrochloride until June 30, 1986.  |
| 36.  | Temporary suspension of column 1 duty on lactulose until June 30, 1987.  |
| 37.  | Temporary suspension of column 1 duty on iron-dextran complex until June 30, 1987.   |
| 38.  | Temporary suspension of column 1 duty until December 31, 1989 on certain circular knitting machines, i.e., cylinder and dial machines designed for sweater strip or garment length knitting and double cylinder machines for sweater strip or garment length knitting. |
| 39.  | Extends suspension of duty on uncompounded allyl resins until December 31, 1986.   |

| Section                          | House Bill  |
|----------------------------------|---|
| House Sec. 147; Senate Sec. 161. | House provision includes mepenzolate bromide and dicyclomine hydrochloride in one item, 906.53, expiring 9/30/87.   |
| House sec. 137; Senate sec. 163. | Identical to Senate provision except House expiration date is 9/30/87.  |
| House sec. 150; Senate sec. 165. | Identical to Senate provision except House expiration date is 9/30/87.  |
| House sec. 144; Senate sec. 166. | Identical to Senate provision except House expiration date is 9/30/87.  |
| House sec. 147; Senate sec. 167. | House provision includes mepenzolate bromide and dicyclomine hydrochloride in one item, 906.53, expiring 9/30/87.   |
| House sec. 156; Senate sec. 168. | Identical to Senate provision except House expiration date is 9/30/87.  |
| House sec. 157; Senate sec. 169. | Identical to Senate provision except House expiration date is 9/30/87.  |
| Senate sec. 170.                 | No provision.   |
| House sec. 141; Senate sec. 171. | Identical to Senate provision except House expiration date is 9/30/86, and House effective date is 9-30-84 while Senate effective date is 15th day after enactment. |

| Item | Senate Bill <sup>1</sup>   |
|------|--|
| 40.  | Temporary suspension column 1 of duty on o-benzyl-p-chlorophenol until December 31, 1987.  |
| 41.  | Temporary suspension of column 1 duty on narrow fabric looms until June 30, 1987.  |
| 42.  | Temporary suspension of column 1 duty on nicotine resin complex until June 30, 1987.   |
| 43.  | Extends suspension of duty until June 30, 1988 on tartaric acid, potassium salts, cream of tartar and sodium tartrate (Rochelle salts).  |
| 44.  | Temporary suspension of column 1 duty on mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride, and magnesium nitrate until June 30, 1987.                   |
| 45.  | Temporary suspension of column 1 duty on mixtures of potassium 1-(p-chlorophenyl)-1,4-dihydro-6-methyl-4-oxopyridazine-3-carboxylate ("fenridazon-potassium") and formulation adjuvants until June 30, 1987. |
| 46.  | Temporary suspension of duty until June 30, 1986 on trichlorosalicylic acid, m-aminophenol, 6-amino-1-naphthol-3-sulfonic acid and 4-acetaminobenzene-sulfonyl chloride.                                     |
| 47.  | Temporary suspension column 1 of duty on decorative lace-braiding machines using the Jacquard system and parts thereof until June 30, 1987.  |
| 48.  | Temporary suspension of column 1 duty on yttrium bearing materials and compounds containing by weight more than 19% but less than 85% yttrium oxide equivalent until June 30, 1989.                          |

| Section                          | House Bill   |
|----------------------------------|--|
| Senate sec. 172.                 | No provision.  |
| House sec. 164; Senate sec. 173. | Substantially same as Senate provision; House expiration date is 9/30/87.  |
| House sec. 154; Senate sec. 174. | House provision provides a different item number and expiration date of 9/30/87.   |
| House sec. 152; Senate sec. 175. | Identical to Senate provision, except House provision is retroactive to June 30, 1984.   |
| House sec. 153; Senate sec. 176. | Identical to Senate provision except House expiration date is 9/30/87, and House provision is retroactive while Senate is not. |
| House sec. 140; Senate sec. 177. | Identical to Senate provision except House expiration date is 9/30/87, and House provision is retroactive while Senate is not. |
| Senate sec. 178.                 | No provision.  |
| House sec. 162; Senate sec. 179. | Identical to Senate provision except House expiration date is 9/30/87.   |
| House sec. 151; Senate sec. 180. | Identical to Senate provision except House expiration date is 6/30/88.   |



| Item | Senate Bill  |
|------|--|
| 49.  | Temporary suspension of column 1 duty on tetra-amino biphenyl until December 31, 1988.   |
| 50.  | Temporary suspension of column 1 duty on (6R,7R)-7-[(R)-2-amino-2-phenylacetamido]-3-methyl-8-oxo-5-thia-1-azabicyclo [4.2.0] oct-2-ene-2-carboxylic acid disolvate until December 31, 1986.   |
| 51.  | Provides for a temporary suspension of the column 1 rate of duty on frames for handheld umbrellas chiefly used for protection against rain, until June 30, 1987.   |
| 52.  | Provides for temporary duty increase for photograph albums to 35% ad valorem, until December 31, 1985.   |
| 53.  | Amends the TSUS and the Tariff Act of 1930 providing for the duty-free entry of repair parts, accessories and equipment of temporarily admitted containers thereby bringing the U.S. customs treatment into conformity with Customs Convention on Containers, 1972, effective January 4, 1985. |
| 54.  | Revises the provisions of the Tariff Schedules applicable to telecommunications products, without changes in rates of duty, in order to better reflect the state of current technology in such products in the TSUS.   |

| Section                          | House Bill  |
|----------------------------------|---|
| House sec. 134; Senate sec. 182. | Identical to Senate provision except House description is 3,3'-diaminobenzidine and House expiration date is 9/30/88. |
| House sec. 138; Senate sec. 183. | Identical to Senate provision except, House expiration date is 9/30/87.   |
| House sec. 165; Senate sec. 185. | Identical to Senate provision except, House expiration date is 9/30/85.   |
| Senate sec. 186.                 | No provision.   |
| House sec. 122; Senate sec. 507. | Identical to Senate provision, except that the effective date is to be proclaimed by the President.                   |
| Senate sec. 1102.                | No provision.   |

| Item | Senate Bill   |
|------|---------------|
| 55.  | No provision. |
| 56.  | No provision. |
| 57.  | No provision. |
| 58.  | No provision. |
| 59.  | No provision. |

| Section         | House Bill  |
|-----------------|---|
| House sec. 111. | Provides for a 20% ad valorem reduction in the column 1 rate of duty on certain fresh or chilled asparagus air freighted to the United States and entered between September 15 and November 15 in any year. |
| House sec. 131. | Provides for a temporary reduction of the column 1 rate of duty on certain fresh, chilled, or frozen Brussels sprouts, until December 30, 1987.   |
| House sec. 148. | Provides for a temporary suspension of the column 1 rate of duty on amiodarone, until September 30, 1987.   |
| House sec. 160. | Provides for a temporary suspension of the column 1 rate of duty for tool blanks and drill blanks, wholly or in chief value of industrial diamonds until September 30, 1987.                                |
| House sec. 181. | Makes a number of retroactive amendments to the TSUS to correct purely technical errors in the schedules.   |

| Item | Senate Bill   |
|------|---|
| 60.  | Reclassification of textile fabrics, and articles, coated, filled or laminated with rubber or plastics previously covered under part 12 of schedule 7 to part 4C of schedule 3 resulting in increase in duties and imposition of import restraints under the MFA. |
| 61.  | Permanent column 1 duty-free treatment of warp knitting machines and parts thereof entered after June 30, 1983.   |
| 62.  | Reclassification of certain rubber or plastic work or dress gloves resulting in increase in duties.   |
| 63.  | Provides for uniform column 1 duty of 8.5% ad valorem on imported toys for pets, of textile materials, the same rate of duty currently assessed on toys for pets, of rubber or plastics.  |
| 64.  | Reduces the column 1 rate of duty for gut imported for use in the manufacture of surgical sutures from 11.2% ad valorem to 5.4% ad valorem. That rate is subsequently reduced in annual stages to 3.5% ad valorem, effective January 1, 1987.                     |
| 65.  | Permanent duty-free treatment of articles exported for purposes of rendering certain geophysical or contracting services abroad and returned.   |

| Section                          | House Bill   |
|----------------------------------|--|
| House sec. 124; Senate sec. 111. | Identical to Senate provision.   |
| House sec. 125; Senate sec. 112. | Identical in substance to Senate provision.<br>Difference in drafting style; typographical errors. |
| House sec. 126; Senate sec. 113. | Identical in substance to Senate provision.<br>Difference in drafting style.                       |
| House sec. 127; Senate sec. 114. | Identical to Senate provision except for technical connection.                                     |
| House sec. 119; Senate sec. 116. | Identical in substance to Senate provision.<br>Difference in drafting style.                       |
| House sec. 121; Senate sec. 119. | Identical in substance to Senate provision.<br>Difference in drafting style.                       |

| Item | Senate Bill  |
|------|--|
| 66.  | Permanent duty-free treatment of certain Buddhist tablets or scrolls called Gohonzon used in religious observances.  |
| 67.  | Reclassification of most wearing apparel imported as parts of sets from classification as entireties to classification as separate components, resulting in higher duties on garments imported as parts of sets. |
| 68.  | Extends current duty suspension applicable to crude feathers and down entered after June 30, 1984, until June 30, 1987.  |
| 69.  | Temporary reduction of column 1 duty to 3% for canned corned beef entered after October 30, 1983, until December 31, 1989.   |
| 70.  | Extension of reduction of column 1 duty to 4.1% ad valorem for caffeine entered after December 31, 1983, until December 31, 1985.  |
| 71.  | Extends the duty suspension on power-driven flat knitting machines entered after June 30, 1983, until June 30, 1988, and provides such duty-free treatment for parts of such machines.                           |
| 72.  | Temporary suspension of column 1 duty on desipramine hydrochloride until December 31, 1987.  |

| Section                          | House Bill   |
|----------------------------------|--|
| House sec. 123; Senate sec. 120. | Identical to Senate provision.   |
| House sec. 116; Senate sec. 123. | Identical in substance to Senate provision.<br>Difference in drafting style. |
| House sec. 166; Senate sec. 141. | Identical to Senate provision.   |
| House sec. 167; Senate sec. 142. | Identical to Senate provision.   |
| House sec. 173; Senate sec. 147. | Identical to Senate provision.   |
| House sec. 176; Senate sec. 150. | Identical to Senate provision.   |
| House sec. 149; Senate sec. 162. | Identical to Senate provision.   |



| Item | Senate Bill  |
|------|--|
| 73.  | Extends duty suspension on zinc-bearing ores, zinc dross and zinc dross skimmings, zinc-bearing materials and zinc waste and scrap, entered after June 30, 1984, until June 30, 1989.                                |
| 74.  | Extends suspension of duty on natural graphite until December 31, 1987.  |
| 75.  | Temporary suspension of column 1 duty on magnetron tubes with an operating frequency of 2.450 GHz and a minimum power of at least 300 watts and a maximum power not greater than 2,000 watts until December 31, 1986 |

| Section                          | House Bill   |
|----------------------------------|--|
| House sec. 159; Senate sec. 164. | Identical in substance to Senate provision.<br>Difference in drafting style. |
| House sec. 158; Senate sec. 181. | Identical to Senate provision.   |
| House sec. 163; Senate sec. 184. | Identical to Senate provision.   |

## MISCELLANEOUS CUSTOMS AND TRADE AMENDMENTS

| Item | Senate Bill   |
|------|---|
| 76.  | No provision.   |
| 77.  | Provides for notification of the Congress 180 days before any significant reorganization of the U.S. Customs Service.   |
| 78.  | Provides for a denial of a business expense tax deduction for expenses of an advertisement carried by a foreign broadcasting undertaking directed to the U.S. market if the country denies a similar deduction for the cost of advertising in the United States.  |
| 79.  | Amends section 925 of title 18, United States Code, to authorize the importation by a licensed importer, of all rifles and shotguns listed as curios or relics pursuant to section 921(a)(13) and all handguns listed as curios or relics, provided that such handguns are generally recognized as particular suitable for or readily adaptable to sporting purposes. |
| 80.  | Provides the President with the authority to proclaim modifications to a number of enumerated items in the Tariff Schedules of the United States in order to provide duty-free coverage comparable to the expanded coverage provided by all other signatories to the GATT Agreement on Trade in Civil Aircraft, as recently modified.                                 |

| Section                          | House Bill  |
|----------------------------------|---|
| House sec. 306(a).               | Amends the Foreign Trade Zones Act of 1934 to exempt bicycle component parts, not to be exported, from the exemption from the customs laws available to merchandise in foreign trade zones. |
| Senate sec. 259.                 | No provision.   |
| Senate sec. 245.                 | No provision.   |
| Senate sec. 246.                 | No provision.   |
| House sec. 301; Senate sec. 247. | Identical, except that the House bill references the GATT Aircraft Committee decision of 3/22/84.   |

| Item | Senate Bill   |
|------|---|
| 81.  | Provides for the Secretary of the Treasury to reliquidate the entry of two mass spectrometer systems imported into the United States for the use of Montana State University, Bozeman, Montana.   |
| 82.  | Provides the Secretary of the Treasury with authorization to admit free of duty any instrument or apparatus provided by the Max Planck Institute for Radioastronomy of the Federal Republic of Germany to the joint astronomical project being undertaken by the Steward Observatory of the University of Arizona and the Max Planck Institute for the construction, installation, and operation of a sub-mm telescope in the State of Arizona. |
| 83.  | Expresses sense of Congress that the Secretary of Agriculture should request the President to call for an International Trade Commission investigation into honey imports under section 22 of the Agricultural Adjustment Act.  |
| 84.  | This section would allow products of a beneficiary country under the Caribbean Basin Economic Recovery Act (CBERA) to enter Puerto Rico under bond for manufacture and later to be withdrawn for consumption free of duty if the products otherwise are entitled to enter duty-free under the CBERA, notwithstanding the fact that the products are not being imported directly from a beneficiary country.                                     |

| Section                          | House Bill  |
|----------------------------------|---|
| Senate sec. 248.                 | No provision.   |
| House sec. 302; Senate sec. 249. | Substantially the same. However, the Senate bill excludes instruments or apparatus if instruments or apparatus of equivalent scientific value are being manufactured in the U.S. The Senate bill also specifies administrative requirements which are prerequisites to obtaining duty-free entry for the instruments and apparatus in question. |
| Senate sec. 250.                 | No provision.   |
| Senate sec. 251.                 | No provision.   |

| Item | Senate Bill  |
|------|--|
| 85.  | Provides duty-free entry for research equipment imported for use by the Cereal Chemistry and Technology Department of North Dakota State University, Fargo, North Dakota, entered on September 15, 1983. |
| 86.  | Provides for customs services at certain small airports and authority to the Secretary of the Treasury to charge a user fee for such services.   |
| 87.  | No provision.  |
| 88.  | No provision.  |
| 89.  | No provision.  |

| Section          | House Bill  |
|------------------|---|
| Senate sec. 253. | No provision.   |
| Senate sec. 256. | No provision.   |
| House sec. 303.  | Provides for the retroactive duty-free entry of pipe organs manufactured in the Netherlands, and imported for the use of Trinity Cathedral of Cleveland, Ohio, during 1973-1978.  |
| House sec. 304.  | Requires the Commissioner of Customs to establish a customs district in the Pacific Northwest to be called the "Columbia-Snake Customs District" with headquarters in Portland, Oregon.   |
| House sec. 305.  | Expresses the sense of the Congress that the President should continue to oppose firmly the imposition by the European Community (EC) of any restrictions of EC imports of nongrain feed ingredients, including corn gluten, and should support the current duty-free binding on such products. The section would also express the sense of Congress that the President should continue to oppose rigorously any EC proposals which would violate the intent of the existing duty-free binding in the GATT on soybeans and soybean products, and reaffirm the U.S. conviction that imposition of a consumption tax on vegetable fats and oils by the EC would represent a restraint of trade. |



| Item | Senate Bill  |
|------|--|
| 90.  | Amends section 431 of the Tariff Act of 1930 to provide for public disclosure of certain manifest information on imports.  |
| 91.  | Amends section 441(3) of the Tariff Act of 1930 to exempt from entry requirements of the customs laws certain vessels carrying passengers from the U.S. Virgin Islands to the British Virgin Islands and returning.  |
| 92.  | Amends the Tariff Act of 1930 to prevent the exportation or importation of vehicles, vessels, aircraft, or parts thereof, which have been stolen or whose I.D. numbers have been removed.  |
| 93.  | Amends section 466(e) of the Tariff Act of 1930 to exempt any U.S. flag vessel that is away from a U.S. port for at least two years from the 50% ad valorem duty on repairs and equipment purchases, provided the repairs or equipment purchases were not made within 6 months of departure from a U.S. port and the vessel did not depart from a U.S. port for the purpose of obtaining overseas repairs. |
| 94.  | Prescribes the due date for the payment of customs duties to be 15 days after the date of liquidation or reliquidation. Provides for the collection of interest from that date and also provides for interest to be paid by the government if a determination is made to reliquidate an entry as a result of administrative or judicial action.  |

| Section                          | House Bill   |
|----------------------------------|--|
| House sec. 207; Senate sec. 202. | Identical to Senate provision.   |
| House sec. 208; Senate sec. 203. | Identical in substance to Senate provision.<br>Difference in drafting style. |
| House sec. 209; Senate sec. 204. | Identical to Senate provision.   |
| House sec. 202; Senate sec. 207. | Identical in substance to Senate provision.<br>Difference in drafting style. |
| House sec. 203; Senate sec. 508. | Identical to Senate provision.   |

## MISCELLANEOUS AMENDMENTS TO THE TARIFF ACT OF 1930

| Item | Senate Bill   |
|------|---|
| 95.  | Amends Section 313 of the Tariff Act of 1930 to provide that any domestic merchandise acquired in exchange for imported merchandise of the same kind and quality shall be treated as the use of such imported merchandise for drawback purposes under subsection (a) and (b) if no certificate of delivery is issued with respect to such imported merchandise.                       |
| 96.  | Amends section 313(j) of the Tariff Act of 1930 to provide drawback for packaging materials imported for packaging or repackaging imported merchandise.   |
| 97.  | Amends section 498 of the Tariff Act of 1930 to increase the allowance for informal entry from \$250 to \$1000, excluding goods classified in schedule 3, certain parts of schedule 7, and parts 2 and 3 of the Appendix.   |
| 98.  | Amends section 304 of the Tariff Act of 1930 to require permanent marking of imported pipe, pipe fittings, compressed gas cylinders, and manhole rings or frames, covers, and assemblies thereof, to show the country of origin.  |
| 99.  | Amends section 313(j) of the Tariff Act of 1930 to provide drawback if the same person requesting drawback, subsequent to importation and within three years of importation of the merchandise, exports from the United States or destroys under Customs supervision fungible merchandise (whether imported or domestic) which is commercially identical to the merchandise imported. |

| Section                                | House Bill  |
|--|---|
| Senate sec. 209.                       | No provision.   |
| House sec. 201(a)(4); Senate sec. 201. | Substantially the same as the Senate provision. The House bill would not apply drawback to all packaging material as the Senate bill apparently would. The House bill is limited to packaging material used to perform <i>incidental operations</i> regarding packaging or repackaging of imported merchandise. |
| House sec. 209; Senate sec. 205.       | Identical to Senate provision except House increased amount is from \$250 to \$1250.  |
| Senate sec. 206.                       | No provision.   |
| House sec. 201; Senate sec. 208.       | Substantially the same as the Senate bill. The Senate bill specifically references the aggregation of imported and domestic merchandise. The House bill specifically states that the substitute merchandise must be in the same condition as the imported merchandise.  |

| Item | Senate Bill  |
|------|--|
| 100. | Provides that return of certain articles from space shall not be considered an importation and customs entry of such articles shall not be required.   |
| 101. | Makes comprehensive changes to the Tariff Act of 1930 with respect to the licensing of customs brokers. The legislation defines the term "customs business" and restricts the scope of Customs' review of customs brokers to such customs business. It also specifies that only licensed brokers may conduct customs business for third parties; sets forth licensing and permit procedures; establishes a duty for customs brokers to exercise responsibility and control over their customs business; and provides disciplinary proceedings, including monetary penalties and revocation or suspension of licenses or permits. |
| 102. | No provision.  |
| 103. | No provision.  |

| Section                          | House Bill  |
|----------------------------------|---|
| Senate sec. 211.                 | No provision.   |
| House sec. 206; Senate sec. 213. | Substantially identical to Senate provision, except that House bill contains an exception to the requirement that each broker have at least one licensed customs broker in each customs district in which he operates, and the House bill contains a 180 day grace period with respect to this requirement while the Senate period is 120 days. |
| House sec. 205.                  | Permits State and local government authorities having jurisdiction over airports or other exit points to require that operators of duty-free sales enterprises in such locations obtain concessions or approval before beginning business.  |
| House sec. 210.                  | Provides that both the House Committee on Ways and Means and the Senate Finance Committee be informed 90 calendar days of continuous session of Congress before the Customs Service publishes a final rule revising any existing requirement for sureties on customs bonds (by way of submission of the rule and a report to the Committees).   |

| Item | Senate Bill  |
|------|--|
| 104. | Provides for duty-free entry of a pipe organ for the Crystal Cathedral of Garden Grove, California entered in six shipments between April 30, 1981, and April 8, 1982, at Los Angeles, California.                       |
| 105. | Provides for retroactive duty-free entry of scientific equipment for the Ellis Fischel State Cancer Hospital of Columbia, Missouri entered on November 7, 1975 and January 23, 1976.                                     |
| 106. | Amends section 15 of the Foreign Trade Zones Act of 1934 to exempt certain tangible personal property held in a foreign trade zone from State and local ad valorem taxation, effective retroactively to January 1, 1983. |

| Section                             | House Bill                     |
|-------------------------------------|--------------------------------|
| House sec. 307; Senate sec. 241.    | Identical to Senate provision. |
| House sec. 308; Senate sec. 242.    | Identical to Senate provision. |
| House sec. 306(b); Senate sec. 244. | Identical to Senate provision. |



## **SUBJECT: CUSTOMS SEIZURES AND FORFEITURES**

### **(Section 211 of House Bill)**

[Section 211 of the Bill Contains a Number of Amendments to the Tariff Act of 1930 Relating to Customs Seizure and Forfeiture. These Provisions were Passed Earlier by the House as Title II of H.R. 4901, the Comprehensive Drug Penalty Act]

| <b>Item</b>  | <b>Present Law</b>   |
|--|--|
| <b>1. "Aircraft" Additions</b>                           | Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act pursuant to 49 U.S.C. 1509 and Customs regulations.   |
| <b>2. Availability of Administrative Forfeitures</b>     | Section 607 provides for administrative rather than judicial forfeiture proceedings if the value of the vessel, vehicle, merchandise or baggage does not exceed \$10,000, or if merchandise is prohibited. Notice of the seizure and intent to forfeit must be published for 3 successive weeks. |
| <b>3. Bond Requirement for Judicial Forfeiture</b>       | Section 608 allows any person claiming an interest in a seized vessel, vehicle, merchandise or baggage to judicially contest any forfeiture by filing a claim and giving a bond in the amount of \$250.  |
| <b>4. Deposit of Proceeds in Customs Forfeiture Fund</b> | Section 609 provides that if no claim is filed or bond given within twenty days, the seized property may be sold at public auction and the proceeds (less expenses) deposited in the U.S. treasury.  |

| House Bill   | Senate Bill <sup>1</sup>  |
|--|---|
| Amends sections 602, 605, 606, and 607 of the Tariff Act to expressly include "aircraft" in the coverage of those sections.  | No Provision.   |
| Raises the value of property which can be administratively forfeited to \$100,000. However, for prohibited merchandise and conveyance, including aircraft, used to import, export or otherwise transport controlled substances, there would be no limit. Notice requirement is expanded to require written notice and description of procedures be sent to interested parties. | No Provision.   |
| Raises the amount of the bond which must be posted to judicially contest a forfeiture to \$2500 or 10 percent of the value of the claimed property, whichever is lower, but not less than \$250.   | No Provision.   |
| During the period beginning on the date of enactment and ending September 30, 1987, all proceeds of sale (after deducting expenses) be deposited in the Customs Forfeiture fund.   | No Provision.   |
|  | <sup>1</sup> Although there are no comparable Senate provisions which are subject to this conference, Title IV of S. 984, which passed the Senate, contains amendments to the Tariff Act which are similar to the House provisions. |

| Item   | Present Law  |
|--|--|
| 5. Judicial Forfeiture                           | Section 610 specifies procedure for Customs to follow for judicial forfeiture if the value of the seized vessel, vehicle, merchandise or baggage is greater than \$10,000.   |
| 6. Explicit Reference to Aircraft                | Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.  |
| 7. Summary Sale                                  | Section 612 authorizes Customs to sell at auction any seized vessel, vehicle, merchandise or baggage if it is "liable to perish or to waste or to be greatly reduced in value by keeping or if the expense in keeping it will be disproportionate to the value thereof." If the value of the article exceeds \$10,000, Customs must petition the Court to obtain permission to sell at auction.        |
| 8. Disposition of Proceeds of Forfeited Property | Section 613(a) allows for persons claiming an interest in forfeited property which has been sold to apply for a remission of the forfeiture and restoration of proceeds of such sale. It also provides for the proceeds of sale after payment of designated expenses of forfeiture and sale and satisfaction of liens to be deposited with the United States Treasury as a Customs or navigation fine. |

| House Bill  | Senate Bill          |
|---|----------------------|
| <p>Makes conforming changes to provide for judicial forfeiture procedures “IF any vessel, vehicle, <i>aircraft</i>, merchandise, or baggage is not subject to section 607 of this Act” (i.e., the value of the article is greater than \$100,000 and was not a conveyance used to import, export, transport or store any controlled substance).</p>   | <p>No provision.</p> |
| <p>Amends section 611 of the Tariff Act to expressly include “aircraft” in the coverage of the section.</p>   | <p>No provision.</p> |
| <p>Makes explicit reference to aircraft and makes conforming changes so that judicial approval of a sale at auction of the seized article is required “if the article is not subject to section 607 of this Act”. Also adds a new subsection providing: “(b) if the expense of keeping the vessel, vehicle, aircraft, merchandise or baggage is disproportionate to the value thereof, and such value is less than \$1,000, such officer may proceed forthwith to order, destruction or other appropriate disposition of such property under regulations prescribed by the Secretary of the Treasury.</p> | <p>No provision.</p> |
| <p>Makes explicit reference to “aircraft” and othe conforming changes. Also provides that the proceeds of sale would be deposited in the general fund of the U.S. Treasury.</p>   | <p>No provision.</p> |

| Item                           | Present Law   |
|--------------------------------|---|
| <b>Customs Forfeiture Fund</b> | <p>There is currently no provision for a Customs Forfeiture Fund. The proceeds of sale of forfeited property are disposed of in accordance with section 613 described above. Under that section, the costs in handling each seizure are deducted from the proceeds of that seizure, if any. The resulting "net proceeds" are then transferred to the general fund in the U.S. Treasury. But if the proceeds do not exceed the expenses, the agency must cover the expenses out of its regular budget.</p> |

Adds a new section 613A establishing a Customs Forfeiture Fund in the U.S. Treasury, to be available to the U.S. Customs Service, subject to appropriation, during the period from date of enactment until September 30, 1987, with respect to Customs' seizures and forfeitures under any law enforced or administered by it for the payment of—

(1) certain expenses of forfeiture and sale;  
(2) payment of awards of compensation to informers under section 619.

(a) liens for freight, charges and contributions in general average, notice of which has been filed with the appropriate Customs officer according to the law; and

(b) other liens against forfeited property;

(4) payment of amounts authorized by law with respect to remission and mitigation;

(5) payment for equipping for law enforcement functions of forfeited vessels, vehicles, and aircraft retained as provided by law for official use by the U.S. Customs Service;

(6) claims of parties in interest to property disposed of under section 612(b) of this Act, in the amounts applicable to such claims at the time of seizure.

The fund would also be available for the purchases of evidence of violations of specified criminal Acts.

No provision.

| Item                                   | Present Law   |
|--|---|
| 10. Explicit Reference to Aircraft     | Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.                         |
| 11. Transfer of Forfeited Property     | Under current law, no authority exists for the Federal Government to discontinue Federal forfeiture proceedings where state or local forfeiture proceedings are being considered. |
| 12. Award of Compensation to Informers | Section 619 provides for an award of compensation to informers of 25 percent of the net amount recovered but not to exceed \$50,000.  |

All proceeds from forfeitures would be deposited in the fund (after reimbursement of expenses under section 524 of this Act) during the period from date of enactment to September 30, 1987. Unneeded funds are to be invested and reports to the Congress of receipts and expenditures are required within four months of the close of the fiscal year. Appropriations from the fund are limited to \$10 million for each fiscal year. At the end of each fiscal year any amount in the fund in excess of \$10 million will be deposited in the general fund and at the end of fiscal year 1987, the fund will be terminated and all excess funds deposited in the general fund of the U.S. Treasury.

Amends sections 614 and 615 to expressly include "aircraft" in the coverage of those sections.

No provision.

A new section 616 entitled "Transfer of Forfeited Property" provides that the Secretary of the Treasury may discontinue forfeiture proceedings under the Act in favor of forfeiture under state law after the proper filing of complaints by the Attorney General, and the United States shall not be liable for property forfeited under the Act to any state or local law enforcement agency which participated directly in the seizure or forfeiture.

No provision.

Raises the maximum level of compensation which can be paid to informers to \$250,000, but it is still limited to 25 percent of the net proceeds and makes explicit reference to "aircraft."

No provision.



| Item  | Present Law   |
|---|---|
| 13. Explicit Reference to Aircraft            | Although not specifically mentioned, aircraft are subject to forfeiture provision of Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.  |
| 14. Enforcement Authority of Customs Officers | Present Customs authority is limited to arrests with a warrant for any Federal offense and warrantless arrests for narcotics, marijuana (26 USC 7606), navigation, seizure and revenue offenses (19 USC 1581) and a variety of conservation, wildlife and pollution laws. They do have the authority to carry a firearm and to execute and serve any warrant, order, subpoena, etc., issued under the authority of the United States (26 USC 7607). |

| House Bill  | Senate Bill <sup>1</sup> |
|---|--------------------------|
| <p>Amends section 618 to expressly include “aircraft” in the coverage of the sections.</p>  | <p>No provision.</p>     |
| <p>Creates a new section 589 which increases the authority of Customs officers to make arrests without a warrant for those offenses against the United States committed in his presence and for those felonies which the officer has reasonable grounds to believe are or have been committed, and to perform other law enforcement duties designated by the Secretary of the Treasury.</p> | <p>No provision.</p>     |

**SUBJECT: AMENDMENTS RELATING TO SECTIONS 201-203 OF THE TRADE ACT OF 1974  
(IMPORT RELIEF)**

**(Sections 252, 258 and 309 of the Senate Bill)**

| Item   | Present Law   |
|--|---|
| <b>1. Amendments to section 201 (sec. 252 of Senate bill)</b><br><i>a. Serious injury criteria</i> | In judging the existence of serious injury, the International Trade Commission (ITC) considers relevant economic factors, including (but not limited to) idling of productive facilities, inability of firms to operate profitably, and unemployment in the industry.   |
| <i>b. Threat of serious injury criteria</i>  | In judging the existence of a threat of serious injury, the ITC considers relevant economic factors, including (but not limited to) a decline in sales, higher and growing inventory, and a downward trend in production, profits, wages or employment in the industry. |

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**House Bill**

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**Senate Bill <sup>1</sup>**

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No provision.

Would add to the economic factors to be considered "any significant increase in the volume or share of total imports attributable to domestic producers in the industry."

No provision.

Would add to the economic factors to be considered by clarifying that a decline in sales is to be measured in terms of articles that are like or directly competitive with the imported article, that a higher or growing inventory may exist whether maintained by domestic producers, importers or retailers, and by adding new criteria: an upward trend in imports or sales for importation and an upward trend in the volume or share of total imports attributable to domestic producers.

| Item  | Present Law   |
|---|---|
| <i>c. Substantial cause criteria</i>                                | In judging substantial cause, the ITC considers relevant economic factors, including (but not limited to) an increase in imports and a decline in the proportion of the domestic market supplied by domestic producers. |
| <i>d. Role of imports in defining industry</i>                      | In determining the domestic industry producing a like article, the ITC may exclude imports by a domestic producer.  |
| <i>e. Definition of "significant idling of productive capacity"</i> | In judging the existence of serious injury, the ITC examines, <i>inter alia</i> , any significant idling of productive facilities, but the term is undefined.   |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | Would clarify that increasing imports are a factor in judging substantial cause regardless of whether imports are attributable to domestic producers in the industry.               |
| No provision. | Would require that the Commission exclude imports by a domestic producer in determining the domestic industry.  |
| No provision. | Would define "significant idling of productive facilities" to mean "a decline in domestic production . . . the closing of plants, or the under-utilization of production capacity." |

| Item  | Present Law  |
|---|--|
| <i>f. Definition of relevant economic factors</i> | In making its injury determination, the ITC is required to take into account all economic factors which it considers relevant. |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | <p data-bbox="854 217 1469 350">Would preclude the ITC from considering any of the following factors in judging injury although they could be considered by the Commission in recommending relief and by the President in acting on that recommendation:</p> <ol data-bbox="908 350 1469 552" style="list-style-type: none"><li data-bbox="908 350 1469 451">1. Effectiveness of relief, efforts to adjust to imports, and other considerations relative to the position of the industry in the nation's economy.</li><li data-bbox="908 451 1469 512">2. Effect of import relief on consumers and on domestic competition.</li><li data-bbox="908 512 1469 552">3. Effect of import relief on U.S. international economic interests.</li></ol> |



| Item  | Present Law  |
|---|--|
| <i>g. Role of profits in injury finding</i>           | The Commission may find that imports are a substantial cause of serious injury or threat thereof based, <i>inter alia</i> , on the profitability (or absence thereof) of domestic firms. |
| <i>h. Probative significance of "captive imports"</i> | The ITC may treat imports by domestic producers as evidence of the adjustment to competition which is encouraged by the statute.   |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | 4. Effect on U.S. industries of compensation obligations incurred by granting relief.   |
| No provision. | Would specify that the fact that the domestic industry is profitable does not preclude an injury finding.                           |
|               | Would require the ITC to treat imports by domestic producers as one factor in judging injury rather than as evidence of adjustment. |

| Item  | Present Law  |
|---|--|
| <i>i. Role of plant closings</i>  | The Commission is not required to consider plant closings in its analysis. |
| <b>2. Analysis of Economic Impact of Import Restrictions Recommended under Section 201(d) (sec. 258 of Senate bill)</b> | No provision.  |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | Would require the Commission to take account of the effect of plant closings on production, employment, capacity, capacity utilization, or domestic profits.   |
| No provision. | Would require the ITC report submitted to the President pursuant to section 201(d) to be submitted to the Council of Economic Advisers; would require the CEA to submit to the President and Congress within 30 days a report analyzing effect of ITC recommendations on prices, on revenues, on employment in the industry seeking protection, on consumers and on other industries, on the the U.S. balance of payments and on U.S. competitiveness. |

| Item  | Present Law   |
|---|---|
| <b>Disapproval of Presidential Determinations under Section 203 of the Trade Act of the Trade Act of 1974 (sec. 309 of Senate bill)</b> | <p>If the President fails to follow the recommendation of the ITC on import relief, the ITC's recommendation will take effect 90 days after the President sends his determination to Congress if each house approves a concurrent resolution, pursuant to expedited procedures under section 152, disapproving the President's determination.</p> |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | Would conform current procedures to the Supreme Court's <i>Chadha</i> ruling by substituting joint for concurrent resolutions. As a result, such joint resolutions disapproving the President's determinations could be vetoed by the President. |

**SUBJECT: MISCELLANEOUS SENATE BILL PROVISIONS**

**(Sections 254 and 255 of Senate Bill)**

| Item  | Present Law   |
|---|---|
| 1. <b>Negotiations on Restraint of Copper Production</b> (sec. 254 of Senate bill). | No provision.   |
| 2. <b>Data on International Trade in Services</b> (sec. 255 of Senate bill)         | The International Investment Survey Act of 1976 requires periodic reports on international investment in the U.S. and by U.S. persons overseas. |

| House Bill    | Senate Bill <sup>1</sup>   |
|---------------|--|
| No provision. | Requires that the President initiate negotiations with governments of copper-producing countries to conclude voluntary restraint agreements which reduce foreign copper production for 3-5 years to allow copper prices to rise to levels with which U.S. producers can compete. |
| No provision. | Redesignates the Act as the International Investment and Trade in Services Survey Act, adds trade in services to the periodic reporting requirements and extends reporting to transactions with unaffiliated (as well as affiliated) foreign persons.                            |



**SUBJECT: INTERNATIONAL TRADE AND INVESTMENT ACT**  
**(Section 301-308 of the Senate Bill)**

| <b>Item</b>   | <b>Present Law</b>  |
|---|---|
| <b>1. Negotiating Authority</b> re trade in services, high technology products, and restrictions on foreign direct investment | No specific authority.  |
| <b>2. Trade Negotiating Advice from Advisory Committees</b>   | Provides for advice from the private sector.  |
| <b>3. Trade Estimates and Reports on Barriers</b>   | Annual report on trade agreements program and on import relief and adjustment assistance for workers, firms, and communities.   |
| <b>4. Retaliatory Authority</b>   | Provides that action may be taken against the products or services of the foreign country or instrumentality involved; President may modify trade agreement concessions and impose duties or other import restrictions. |

No provision.

Would provide specific negotiating authority:

(a) to reduce or eliminate barriers to or distortions of international trade in services and to develop internationally agreed rules, including dispute settlement procedures, to reduce or eliminate such barriers;

(b)(1) to reduce or eliminate artificial or trade distorting barriers to foreign direct investment and the development of rules, including dispute settlement procedures to ensure the free flow of foreign direct investment, and the reduction or elimination of the trade-distortive effects of certain investment related trade measures; (2) to seek the elimination or reduction of foreign export performance requirements for which purpose the USTR would be authorized to impose import restrictions (including the exclusion of products subject to such requirements);

(c)(1) to maintain and preserve openness of trade and investment in high technology products and related services, to eliminate or reduce distorting effects of foreign government actions which distort high technology trade; and

(2) to obtain reduction, or elimination of all tariffs and barriers on U.S. exports of high technology products, to obtain commitments to foster national treatment and to provide minimum safeguards for the acquisition and enforcement of intellectual property rights.

No provision.

Would authorize establishment of intergovernmental advisory committees.

No provision.

Would require annual national trade estimates on significant barriers to the exportation of U.S. goods and services and restriction on U.S. foreign direct investment; USTR required to identify, through TPC, significant barriers of distortions, estimate their impact, and report actions taken to eliminate barriers; consultations with congressional committees required on trade policy priorities to enhance market opportunities; report required within 1 year of enactment and annually thereafter.

No provision.

Would clarify President's authority by substituting "goods" for "product" and "sector" for "service"; President's authority may be exercised without regard to whether or not such goods or sector were involved in the act, policy or practice identified; President's authority clarified to impose restrictions notwithstanding authority of other provisions of law; President authorized to propose "fast track" legislation as part of his retaliatory powers.

| Item  | Present Law  |
|---|--|
| 5. Definition of Commerce                                       | Services associated with international trade.  |
| 6. Definition of Unreasonable, Unjustifiable and Discriminatory | Undefined.   |
| 7. Initiation of Section 301 Petitions                          | President may take action as a result of petition-initiated investigation, or on his own motion. |
| 8. Initiation of International Consultations                    | Consultations are initiated on same date as section 301 investigation is instituted.             |
| 9. Treatment of Business Confidential Information               | No Specific exception for information submitted in connection with Trade Act investigations.     |
| 10. Definition of International Trade                           | Trade in goods and services only; no reference to foreign direct investment                      |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | Would include foreign direct investment by U.S. persons with implications for trade in goods and services.  |
| No provision. | <p>Would define:</p> <p>(a) "unreasonable" as any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable, including, but not limited to, any act, policy, or practice which denies fair and equitable—(A) market opportunities; (B) opportunities for the establishment of an enterprise; or (C) provision of adequate protection of intellectual property rights;</p> <p>(b) "unjustifiable" as any act, policy, or practice which is in violation of, or inconsistent with, the international legal rights of the United States, including, but not limited to, any act, policy, or practice described above which denies national or most-favored-nation treatment, the right of establishment, or protection of intellectual property rights;</p> <p>(c) "discriminatory" where appropriate as any act, policy, or practice which denies national or most-favored-nation treatment to United States goods, services, or investment.</p> |
| No provision. | Would authorize USTR to self-initiate section 301 investigations as a foundation for advice to President.   |
| No provision. | Would authorize us up to 90-day delay in initiation of consultations.   |
| No provision. | Would exempt business confidential information requested or received by USTR in aid of Trade Act investigations from FOIA.  |
| No provision. | Would specifically include foreign direct investment by U.S. persons, especially if such investment has implications for goods and services.  |

| Item                        | Present Law           |
|-----------------------------|-----------------------|
| 11. High technology exports | No specific provision |

| House Bill   | Senate Bill  |
|--------------|--|
| No provision | Would authorize President to enter bilateral on multilateral agreements as may be necessary to achieve objectives relevant to high technology products; President given 5-year authority to eliminate duties on certain high technology items. |

**SUBJECT: UNITED STATES-ISRAEL FREE TRADE AREA**

| Item   | Present Law  |
|--|--|
| 1. Short title (sec. 401 of House bill)  | No provisions.   |
| 2. Scope of Authority to Enter Into Trade Agreements Modifying or Eliminating Tariff and Nontariff Trade Barriers. (sec. 402 of House bill; sec. 401 of Senate bill) | <p>The President has no authority to proclaim tariff reductions, increases, or modifications. The President's basic tariff negotiating authority, set forth in section 101 of the Trade Act of 1974 expired in 1979; more limited "residual" authority, contained in section 124 of the Act expired in 1982.</p> <p>The President is authorized by section 102(b) of the Act to negotiate trade agreements harmonizing, reducing, or eliminating nontariff trade barriers. This authority expires January 3, 1988. The authority merely provides for expedited consideration by the Congress of any agreement negotiated pursuant to it, if the President follows the procedures the authority prescribes.</p> |

**"United States-Israel Free Trade Area Act"****No provision.**

- a. Authorizes the President to enter into a trade agreement with Israel providing for
- (1) duty-free entry of Israeli products, and
  - (2) the harmonization, reduction, or elimination of nontariff trade barriers.

a. Amends sections 102(b) and 102(g) to authorize the President to negotiate trade agreements harmonizing, reducing, or eliminating tariff, as well as nontariff, trade barriers, provided that any such agreement that would eliminate or reduce tariffs may be entered into only with Israel or Canada. If any other country requests such negotiations, the President must notify the Finance and Ways and Means Committees at least 60 days before the 90 day notification and consultation period required by current law before the President enters into the agreement (as a condition of expedited Congressional consideration). If either committee disapproves of the negotiation of such agreement, before that 60-day period expires, then the President could not submit the agreement for expedited consideration by the Congress.



| Item  | Present Law  |
|---|--|
| <p><b>3. Procedures for Implementing Agreements</b><br/>(sec. 402 of House bill; sec. 401 of Senate bill)</p>     | <p>The procedures for congressional consideration of any agreement negotiated under section 102 include the “fastrack” procedures set forth in sections 102(c)-(f) and 151-154 of the Trade Act of 1974.</p> <p>In general, these procedures provide for notification of Congress 90 days before the President enters into an agreement; submission of the agreement and implementing legislation for congressional approval after the agreement is entered into; and approval or disapproval by both Houses within 60 days.</p> |
| <p><b>4. Limitation of Most-Favored-Nation Benefits</b><br/>(sec. 406 of House bill; sec. 401 of Senate bill)</p> | <p>Certain U.S. treaties may be interpreted to extend automatically to the other party, by virtue of most-favored-nation provisions, any tariff or other trade benefit accorded by the United States to any other country.</p>   |

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**House Bill**

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**Senate Bill**

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b. No provision.

b. Tariff agreements with Israel must take into account products benefitting from a discriminatory preferential arrangement and the preference has been the subject of a GATT dispute settlement proceeding initiated by the United States.

The President may proclaim any tariff changes resulting from such an agreement. However, the President must submit any nontariff barrier provision of the agreement for Congressional approval under the procedures of section 102 of the trade Act.

Same as current law for nontariff barrier agreements negotiated under the section 102 authority. Thus, both tariff and nontariff matters would be subject to Congressional approval.

Provides that no trade benefit shall be extended to any country by reason of an agreement with Israel entered into under this authority.

Same as House bill, except includes any agreement with Canada.

| Item  | Present Law   |
|---|---|
| <p><b>5. Rules-of-origin</b> (sec. 403 of House bill; sec. 401 of Senate bill)</p>  | <p>In general, an imported article is treated for customs purposes as originating where it was wholly grown, produced, or manufactured. If further work in another country “substantially transforms” the article, then it is considered a product of the other country.</p> <p>The Caribbean Basin Initiative legislation contains more specific rules. An eligible product is one imported directly from a beneficiary country and containing at least 35 percent cumulative local value-added, 15 percent of which can be of U.S. origin. Value is the sum of the cost or value of materials plus the direct cost of processing in the beneficiary country or countries. Products merely package or combined in the country, or merely diluted by a liquid that does not materially alter the article’s essential character, do not qualify.</p> |
| <p><b>6. Temporary Import Relief as Exception to Duty-free Treatment.</b> (Sec. 404 of House bill; sec. 401 of Senate bill)</p> | <p>Sections 201-203 of the Trade Act of 1924 authorize the President to impose quotas, tariffs, or to negotiate export restraints in order to provide relief to an industry for which the International Trade Commission has determined that increasing imports are a substantial cause of serious injury or a threat thereof. Relief may be for up to 5 years, and may be extended after the initial period for up to 3 more years.</p>  |

| House Bill  | Senate Bill   |
|---|---|
| Incorporates the same rules of origin for Israeli products that were specified in the Caribbean Basin Initiative legislation.   | Requires that any agreement with Israel meet requirements "similar" to that in the CBI. |
| Treasury must consult with USTR before issuing regulations to carry out these origin rules.   | No provision.   |
| Provides that the President may proclaim duties for Israeli products in accord with actions taken under section 203 of the Trade Act or section 232 of the Trade Expansion Act. | No provision.   |

| Item  | Present Law  |
|---|--|
| <p><b>7. Perishable Products</b> (Sec. 405 of House bill; sec. 401(d) of Senate bill)</p> | <p>The CBI legislation provides that with regard to section 201 cases involving perishable commodities, the President, within 21 days of application to the Secretary of Agriculture and upon the Secretary's recommendation, may withdraw duty-free treatment of the commodity until a final negative determination by the ITC or a decision by the President regarding relief or until changed circumstances. Perishable products are (1) live plants; (2) fresh or chilled vegetables; (3) fresh mushrooms; (4) fresh fruit; (5) fresh cut flowers; and (6) concentrated citrus fruit juices.</p> |

| House Bill  | Senate Bill  |
|---|--|
| <p>Incorporates the same emergency relief provision as contained in the Caribbean Basin Initiative legislation.</p> | <p>Requires that implementing legislation contain emergency relief provisions for perishable products similar to that in the CBI legislation. "Perishable products" are:</p> <ul style="list-style-type: none"><li>(1) vegetables;</li><li>(2) edible nuts and fruits;</li><li>(3) fresh cut flowers; and</li><li>(4) concentrated citrus fruit juice.</li></ul> |

| Item | Present Law   |
|------|---|
|      | <p>Section 232 of the Trade Expansion Act of 1962 authorizes the President to take such action as he deems necessary to adjust imports of articles that are being imported in such quantities or under such circumstances as to threaten to impair the national security.</p> |

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**House Bill**

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**Senate Bill <sup>1</sup>**

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Authorizes the President to suspend duty-free treatment for Israeli products that the ITC determines are the substantial cause of serious injury to the industry which seeks relief under section 201.

No provision.

Further provides that section 201 relief in effect when the Israel government becomes effective shall remain in effect until modified or terminated. Further, the President may reduce or terminate the application of the existing relief to the article.

No provision.



| Item   | Present Law   |
|--|---|
| 8. Section 22 Fees (sec. 405(f) of House bill)               | Section 22 of the Agricultural Adjustment Act authorizes the imposition of the import fees and quotas on products rendering ineffective (or tending to do so) a domestic price support program.   |
| 9. Relationship of Other Trade Laws (sec. 406 of House bill) | Import relief is authorized under section 232 of the Trade Expansion Act of 1962 for national security reasons; under the Tariff Act of 1930 as a remedy for unfair trade practices; and under the Trade Act of 1924 for adjustment purposes or to respond to certain unfair trade practices not otherwise covered in the 1930 Act. |

| House Bill   | Senate Bill   |
|--|---------------|
| Duty reductions proclaimed as a result of the trade agreement shall not affect section 22 fees.                      | No provision. |
| Implementation of trade agreement may not affect the application of laws authorizing relief from import competition. | No provision. |

| Item   | Present Law  |
|--|--------------|
| 10. U.S.-Canada Commission (Sec. 402 of Senate bill) | No provision |

| House Bill   | Senate Bill  |
|--------------|--|
| No provision | Amends section 612(b) of Trade Act of 1974 to authorize President to seek establishment of joint commission to resolve trade and other economic issues between the United States and Canada. |

**SUBJECT: GENERALIZED SYSTEM OF PREFERENCES (AMENDMENTS TO TITLE V, TRADE ACT OF 1974)**

| Item   | Present Law   |
|--|---|
| <b>1. Title and Purposes</b> (sec. 501 of Senate and House bills)      | No provision.   |
| <b>2. Basic Authority and Time Limits</b>                              |   |
| <i>a. Authority</i> (sec. 502 of House bill; sec. 503 of Senate bill)  | Sec. 501 authorizes President to extend duty-free treatment to eligible articles as described below. President "shall have due regard for": <ol style="list-style-type: none"><li>1. effect of such action on furthering country's economic development;</li><li>2. extent to which comparable actions taken by other developed countries, and</li><li>3. anticipated impact of such action on competing U.S. products.</li></ol> |
| <i>b. Time Limit</i> (sec. 506 of House bill; sec. 502 of Senate bill) | No duty-free treatment shall remain in effect after January 3, 1985 and report on program's operation must be filed after 5 years under sec. 505.   |

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**House Bill**

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Entitled "Generalized System of Preferences Renewal Act of 1984" and outlines 10 specific purposes.

Adds phrase "through the expansion of their exports" to the end of paragraph (1) and a new criterion (4): "the extent of the beneficiary developing country's competitiveness with respect to eligible articles."

Extends expiration date until 1/3/90 and requires the President to submit a report to Congress before that date on the operation of program and annual reports on the status of internationally recognized worker rights within each beneficiary developing country.

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**Senate Bill <sup>1</sup>**

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Same provision except no specific reference to intellectual property rights or internationally recognized worker rights.

Includes paragraph on country's competitiveness; does not include amendment to paragraph (1).

Extends program to 1/3/95 and does not require reports.

| Item  | Present Law  |
|---|--|
| <b>3. Eligible Countries</b> (sec. 503 of House bill;<br>sec. 504 of Senate bill) |  |
| <i>a. Procedure</i>   | President designates BDCs under sec. 502(a)<br>by executive order after notifying Congress;<br>same for termination.   |
| <i>b. Mandatory criteria</i>  | Certain named developed countries are ineli-<br>gible under sec. 502(b) for benefit as are OPEC<br>members and Communist countries, unless<br>they are GATT and IMF members and not<br>dominated by international communism, and<br>countries providing preferential treatment to<br>another developed country unless such prefer-<br>ences have no significant adverse effects. |

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**House Bill**

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**Senate Bill**

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Adds definition of the term "internationally recognized worker rights" to include—

"(A) the right of association;

"(B) the right to organize and bargain collectively;

"(C) a prohibition on the use of any form of forced or compulsory labor;

"(D) a minimum age for the employment of children; and

"(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."

No provision.

Hungary deleted from list of ineligible developed countries.

No provision.



| Item  | Present Law   |
|---|---|
| <i>c. Mandatory criteria, subject to national interest waiver</i> | <p data-bbox="743 217 1352 354">Unless the President determines that designation of eligibility would be in the national economic interest, despite failure to comply with the following conditions, a country also is ineligible under sec. 502(b) for GSP benefits if—</p> <ol style="list-style-type: none"> <li data-bbox="797 354 1352 491">1. it has taken actions which have the effect of nationalizing, expropriating or otherwise seizing control of U.S. citizens' property without providing adequate compensation;</li> <li data-bbox="797 491 1352 570">2. it fails to cooperate with the United States in interdicting unlawful narcotics traffic;</li> <li data-bbox="797 570 1352 628">3. it fails to recognize or enforce arbitral awards in favor of U.S. citizens; or</li> <li data-bbox="797 628 1352 699">4. it aids or abets international terrorism by granting sanctuary to international terrorists.</li> </ol> |

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**House Bill**

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Makes explicit that provisions relating to nationalization, expropriation and seizure of property (sec. 502(b)(4)(A), (B) and (C)) include "patents, trademarks, or copyrights" and adds following new criteria:

"(8) if such country has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country (including any designated zone in that country)."

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**Senate Bill**

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Identical provision on intellectual property rights; does not include provision on worker rights.

| Item                                       | Present Law  |
|--|--|
| <i>d. Factors to be taken into account</i> | <p>In determining whether to designate a country as a GSP beneficiary, the President must take into account the following factors under sec. 502(c) before designation:</p> <ol style="list-style-type: none"> <li>1. the desire of the country to receive benefits;</li> <li>2. the level of the country's economic development;</li> <li>3. whether other developed countries are extending benefits to the country; and</li> <li>4. the extent to which the country has provided assurances of equitable and reasonable access to its markets and basic commodity resources.</li> </ol> |

Adds the following three new factors:

“(5) the extent to which such country is providing adequate and effective means under its laws for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property, including patents, trademarks, and copyrights;

“(6) the extent to which such country has taken action to reduce trade distorting investment practices and policies (including export performance requirements), and reduce or eliminate barriers to trade in services”; and

“(7) whether or not such country has taken or is taking such steps to afford workers in that country (including any designated zone in that country) internationally recognized worker rights”.

Identical new criteria (5); identical criteria (6) on investment but does not include references to barriers to trade in services; does not include criteria (7) relating to worker rights; and amends criteria (4) by adding the phrase “and the extent to which such country has assured the U.S. that it will refrain from engaging in unreasonable export practices.”

| Item   | Present Law  |
|--|--|
| <b>4. Eligible Articles</b>  |  |
| <p><i>a. Regulations on rules-of-origin</i> (sec. 503 of House bill)</p>               | <p>Secretary of Treasury has authority under section 503(b) to prescribe regulations to carry out GSP rules-of-origin.</p>   |
| <p><i>b. Ineligible articles</i> (sec. 504 of House bill; sec. 505 of Senate bill)</p> | <p>The following import-sensitive articles may not be designated under sec. 503(c) for GSP eligibility:</p> <ol style="list-style-type: none"> <li>1. Textile and apparel articles subject to textile agreements;</li> <li>2. watches;</li> <li>3. import-sensitive electronic, steel, and glass products;</li> <li>4. certain footwear articles; and</li> <li>5. any other article the President determines is import-sensitive in the context of GSP.</li> </ol> |

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**House Bill**

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**Senate Bill**

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Requires the Secretary of Treasury to consult with USTR before prescribing regulations governing GSP rule-of-origin requirements.

The exclusion for footwear is expanded to cover "footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel which were not eligible articles for purposes of this title on April 1, 1984".

No provision.

Identical provision except the existing exclusion for certain footwear in subparagraph (E) is retained. Deletes watches from the list of ineligible articles.

| Item   | Present Law   |
|--|---|
| <b>5. Limitations on Preferential Treatment</b><br>(sec. 505 of House bill; sec. 506 of Senate bill) |   |
| <i>a. Study and report</i>   | <p>Sec. 504(a) authorizes President to withdraw, suspend, or limit duty-free treatment for any eligible article or beneficiary country and requires withdrawal or suspension of beneficiary designation if after designation, circumstances change so that country does not meet initial designation criteria.</p> <p>No provision.</p> |

Requires President to—

Submit report to the Congress by 1/4/87 on the application of secs. 501 and 502(c) and the actions he has taken to withdraw, suspend, or limit benefits for failure to take actions described in sec. 502(c); and

Conduct a general review of eligible articles based on initial designation criteria under secs. 501 or 502(c), to be completed by 1/4/86, and renewed periodically thereafter.

Similar provision, except report is not due until 1/4/88, and requires particular emphasis on country's efforts to—

1. provide market access;
2. protect intellectual property rights; and
3. reduce trade-distorting investment practices and policies

Similar provision, except first review must be completed not later than 1/4/87.



| Item                              | Present Law   |
|-----------------------------------|---|
| <i>b. Competitive need limits</i> |   |
| 1. Basic limits                   | <p>Under sec. 504(c), a particular beneficiary country is eligible for GSP treatment on a particular article within 90 days after the close of a calendar year if its exports to the U.S. in that calendar year exceeded either—</p> <p>A. a dollar amount set by a formula based on growth in U.S. GNP (the 1983 limit was about \$57 million); or</p> <p>B. 50 percent of the total value of U.S. imports of the article.</p> |

| House Bill | Senate Bill |
|------------|-------------|
|------------|-------------|

Retains basic competitive need limits.

Identical provision.

| Item   | Present Law  |
|--|--|
| <i>2. Graduation, cutback and waiver authority</i> | Discretionary authority under sec. 504(a) to withdraw, suspend or limit benefits; no authority to waive competitive need limits, except in special circumstances applicable only to the Philippines. |

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## House Bill

Beginning on January 4, 1986, cutbacks and waivers authorized for 3 groups of countries as described below:

*Countries with \$9,000 GNP*—Mandatory graduation for all articles over a maximum period of two years, then country no longer considered a BDC.

No waiver authority.

*Countries with 10% share of GSP duty-free imports or \$5,000 GNP*—Mandatory cutback in competitive need limits for all articles (from \$57 million/50% to \$25 million/25%).

President may waive cutbacks and restore the original competitive need limits on article-by-article basis after (1) receiving ITC advice on whether any industry is likely to be adversely affected; (2) determining a waiver is in the national economic interest based on secs. 501 and 502(c) criteria (including market access, intellectual property rights protection and internationally negotiated worker rights); and (3) publishing his determination.

*All Other Countries*.—Presidential discretion to reduce competitive need limits (from \$57 million/50% to \$25 million/25%) on article-by-article basis if country has “demonstrated a sufficient degree of competitiveness” in such article.

President may waive limits on article-by-article basis but total waivers above present competitive need levels cannot exceed 25 percent of total U.S. GSP duty-free imports.

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## Senate Bill

Beginning on January 4, 1987, cutbacks and waivers are authorized as follows:

Presidential discretion to reduce competitive need limits (from \$57 million/50% to \$25 million/25%) on article-by-article basis if country “demonstrated a sufficient degree of competitiveness” in such article.

After two years (i.e., when the above product review is completed), competitive need limits may be waived if the President (1) receives ITC advice on whether any U.S. industry is likely to be adversely affected; (2) determines a waiver is in the national economic interest based on the basic designation criteria under sections 501 and 502(c) and; (3) publishes his determination.

In making his national interest determination, the President must give great weight to (1) assurances of equitable and reasonable market access to the beneficiary country, and (2) the extent the country provides adequate and effective intellectual property rights protection.

| Item  | Present Law  |
|---|--|
| <i>c. Exceptions to application of competitive need limits</i>        |  |
| <i>1. Philippines exception</i>                                       | <p>Competitive need limits do not apply if waived by President because he finds:</p> <ul style="list-style-type: none"> <li>A. an historical preferential trading relationship with the country exists;</li> <li>B. there is a trade agreement to which the country and the U.S. are parties; and</li> <li>C. the country does not impose unreasonable or discriminatory barriers to U.S. commerce.</li> </ul> |
| <i>2. Exception for least developed developing countries (LDDC's)</i> | No provision.  |
| <i>3. No domestic production exception</i>                            | <p>The 50-percent-of-imports competitive need limit does not apply if a like or directly competitive article was not produced in the U.S. on 1/3/75.</p>   |

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**House Bill**

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**Senate Bill**

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Waiver authority is retained for the Philippines, subject to the country criteria above.

Waiver authority is retained, but subject to reduction in competitive need limits on article basis above.

No provision.

Competitive need limits shall not apply to LDDC's as determined by the President and designated 60 days after notification to Congress.

Changes date of production to 1/3/75.

The 50-percent-of imports competitive need limit does not apply if a like or directly competitive article was not produced in the U.S. on the earlier of—

| Item  | Present Law   |
|---|---|
| <i>4. De minimis waiver</i>   | President may waive 50-percent-of-imports competitive need limit if total imports of the particular article in the preceding year did not exceed \$1 million.                                   |
| <i>d. Redesignation of articles</i>   | A country may be redesignated in a later year for GSP on a particular eligible article if its exports of the article did not exceed the competitive need limits in the preceding calendar year. |
| <i>e. Time period for implementing changes in GSP treatment relating to competitive need limits</i> | Changes in article designation go into effect not later than 90 days after the close of preceding calendar year.  |
| <b>6. Agricultural Exports (sec. 507 of House bill)</b>   | No provision.   |

| House Bill   | Senate Bill  |
|--|--|
| Changes de minimis level to \$5 million.   | <p>a. January 3, 1985, or<br/> b. January 1 of the calendar year for which the 50 percent limitation determination is being made.</p> <p>No provision.</p> |
| Permits redesignation only after 2 calendar years.   | No provision.  |
| Changes would be effective not later than July 1.  | No provision.  |
| Requires U.S. assistance to BDC's to assure adequate production of foodstuffs for their citizenry. | No provision.  |



**SUBJECT: SMALL BUSINESS TRADE ASSISTANCE AND TRADE MONITORING**

| Item   | Present Law   |
|--|---------------|
| 1. Trade Remedy Assistance (sec. 601 of House bill; sec. 602 of Senate bill) | No provision. |
| 2. Small Business Advocate (sec. 624 of Senate bill)                         | No provision. |

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**House Bill**

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Establishes a Trade Remedy Assistance Office in the ITC to provide information to the public, upon request, concerning remedies and benefits available under the various trade laws and procedural requirements.

Each agency responsible for administering these laws must provide technical assistance to small businesses (without adequate internal resources nor financial ability to obtain qualified outside assistance) to enable them to prepare and file petitions and applications.

No provision.

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**Senate Bill**

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Identical in substance, except it establishes the office in the Commerce Dept. instead of the ITC and the list of trade laws covered is illustrative, not all inclusive.

Establishes a Small Business International Trade Advocate Office in the Commerce Dept. to assist small businesses as (defined in Small Business Act) in preparation for, and participation in, any proceeding relating to administration of U.S. trade laws. The Advocate:

a. may, upon request, initiate a CVD or AD investigation and intervene in any AD or CVD proceeding if the small business is unable to finance initiation or participation;

| Item | Present Law |
|------|-------------|
|------|-------------|

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|---|----------------------|
| <p>3. Targeting Monitoring Program (sec. 601 of House bill)</p> | <p>No provision.</p> |
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**House Bill**

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**Senate Bill**

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Requires the ITC to establish a continuing program to monitor and analyze foreign industrial plans and policies in order to discover whether targeting subsidies are being planned or have been implemented. Priority would be given to countries and product sectors in which the U.S. has significant economic or commercial interests, after consultations with other agencies and public comments. The ITC must regularly report the information to the administering authority and make non-confidential information available to the public. Each agency must provide the ITC, upon request, such information as the ITC considers necessary or appropriate to carry out these functions.

- b. shall have all the rights of an interested party;
- c. may request the ITC to conduct not more than 3 investigations annually to assist small businesses in preparing for AD or CVD proceedings; and
- d. must report to Ways and Means and Finance Committees annually on its activities.

No provision.

| Item  | Present Law   |
|---|---------------|
| 4. Industrial targeting studies (sec. 602 of House bill). | No provision. |

| House Bill  | Senate Bill   |
|---|---------------|
| <p>Requires the Secretaries of Commerce and Labor, the USTR, and the Comptroller General to each undertake and submit to Congress not later than 6/1/85 a comprehensive study of problems of foreign industrial targeting including:</p> <ul style="list-style-type: none"><li>a. whether it is an unfair trade practice;</li><li>b. whether existing laws adequately address the subsidy element;</li><li>c. extent targeting significantly affects U.S. commerce; and</li><li>d. any recommended legislation necessary.</li></ul> | No provision. |

**SUBJECT: AMENDMENT TO THE COUNTERVAILING DUTY (CVD AND ANTIDUMPING (AD) LAWS**

| Item   | Present Law  |
|--|--|
| <b>1. Clarification of Coverage (likely sales, leasing) (sec. 711 of House bill; secs. 210, 716, 717, 718, of Senate bill).</b>  | Section 701(a) states the general rule that a CVD shall be imposed where (1) the administering authority finds a subsidy with respect to merchandise " <i>imported</i> into the United States" and (2) the ITC finds that an industry is materially injured or threatened with such injury "by reason of <i>imports</i> of that merchandise." Section 731 requires the administering authority to determine in AD investigations that "foreign merchandise is being, or is likely to be <i>sold</i> in the United States at less than its fair value". [Emphasis added]  |
| <b>2. Settlement Agreement Authority</b><br><i>a. Offsets</i> (sec. 712 of House bill; sec. 705 of Senate bill)<br><i>b. 6-month grace period</i> (sec. 712 of House bill) | The administering authority may suspend a CVD or AD investigation under section 704(b) or 734(b) at any time before its final determination if the government of the subsidizing country agrees, or exporters who account for substantially all of the imports of the subsidized or dumped merchandise agree (1) to eliminate the subsidy completely or to offset completely the amount of the net subsidy on exports to the United States within six months after the suspension; (2) to raise the price completely to eliminate any dumping margin; or (3) to cease exports of the merchandise to the United States within six months after the suspension. No CVD or AD suspension agreement can be accepted unless the quantity exported during the 6-month period will not exceed the quantity exported during the most recent representative period. |

| House Bill  | Senate Bill   |
|---|---|
| <p>Amends section 701(a) and 705(b)(1) to clarify that the CVD and AD laws cover sales and likely sales, as well as imports that have already occurred; amends sections 701(a) and 731 to include certain leases.</p> | <p>Section 210 is identical; section 716 is identical, except it also includes the language on likely sales in sections 731, 735(b), 703(a), and 733(a).</p>  |
| <p>No provision.</p>  | <p>Amends sections 702 and 732 to add a special rule that the existence of sales for future delivery or irrevocable offers to sell may be basis for an affirmative CVD or AD determination.</p>   |
| <p>No provision.</p>  | <p>Amends section 702 and 732 to add a special rule that the absence of a history of imports in sufficient volume to be a present cause of injury shall not be a basis for not initiating an investigation, if a sufficient allegation of threat of injury is made.</p> |
| <p>Eliminates the authority to suspend CVD investigations based on offsets of net subsidies by the foreign government or exporters.</p>   | <p>Requires verification of any amount, including offsets, subtracted from gross subsidy to determine net subsidy.</p>  |
| <p>Removes the 6-month grace period for eliminating subsidies or dumping margins under suspension agreements.</p>   | <p>No provision.</p>  |



| Item   | Present Law   |
|--|---|
| <p><i>c. Quantitative restriction agreements</i> (sec. 712 of House bill; sec. 611 of Senate bill)</p> | <p>In “extraordinary circumstances,” the administering authority may <i>suspend</i> a CVD investigation under section 704(c) before its final determination upon acceptance of an agreement from the government to eliminate completely the injurious effects, which may take the form of a quantitative restriction agreement to restrict the volume of imports. Before <i>suspending</i> any CVD of AD investigation, section 704(e) and 734(e) require the administering authority to (1) notify and consult the petitioner of its intention, and give 30 days advance notice to other parties and to the ITC; (2) provide a copy and explanation of the proposed agreement to the petitioner; and (3) permit all parties to submit comments and information. No form of <i>suspension</i> agreement can be accepted unless the administering authority is satisfied suspension is in the public interest and effective U.S. monitoring of the agreement is practicable. Upon withdrawal of the petition the administering authority may <i>terminate</i> a CVD or AD investigation under section 704(a) or 734(a) after notice to all parties to the investigation; law does not specify basis or criteria.</p> |
| <p><i>d. AD quantitative restriction agreements</i> (sec. 713 of Senate bill)</p>                      | <p>In “extraordinary circumstances,” the administering authority may suspend an AD investigation under section 734(c) before its final determination upon acceptance of an agreement to revise prices from exporters accounting for substantially all of the imports that will eliminate completely the injurious effects, prevent domestic price suppression or undercutting, and the dumping margin for each entry of each exporter does not exceed 15 percent of the weighted average margin for all entries of the exporter. Unlike CVD cases, the administering authority is not authorized to suspend AD investigations on the basis of quantitative restriction agreements.</p>  |

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**House Bill**

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Requires the administering authority to take various public interest factors (impact on consumer prices, supplies international interests, industry competitiveness), into account and consult with potentially affected consumers, industries, producers, and workers prior to deciding whether to *terminate or suspend CVD investigations* or to *terminate AD investigations based on quantitative restriction agreements*.

No provision.

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**Senate Bill**

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Permits comments on any form of proposed CVD and AD suspension agreements from all interested parties, rather than only all parties to the investigation.

Authorizes AD quantitative restriction agreements with governments or exporters on imports if they will eliminate the injurious effects; provides authority to prescribe regulations to enforce the limits.

| Item  | Present Law  |
|---|--|
| <i>e. Termination of investigations</i> (sec. 610 of Senate bill)                                 | No specific provision.   |
| <i>f. Notification of Customs</i> (sec. 712 of House bill)  | No provisions.   |
| <b>3. Negotiation, Expiration of Quantitative Restriction Agreements</b> (sec. 713 of House bill) | <p>Section 751(b) requires the administering authority or the ITC to review any suspension agreement or affirmative determinations whenever it receives information or a request showing changed circumstances sufficient to warrant a review. If the ITC determines a suspension agreement no longer eliminates completely the injurious effect of imports, the administering authority and the ITC proceed with the investigation as if the agreement had been violated on that date. No provision of present law requires negotiations to eliminate the subsidy or dumping margin while the agreement is in effect, or imposition of CVDs or AD duties upon its expiration equal to any remaining injurious subsidy or dumping.</p> |
| <b>4. Persistent Dumping Procedure</b> (sec. 714 of House bill)                                   | <p>Section 732(a) requires the administering authority to self-initiate an AD investigation whenever it determines, from information available to it, that a formal investigation is warranted. There is no formal requirement regarding monitoring of products subject to existing AD orders to determine whether self-initiation with respect to additional suppliers is warranted.</p>  |

| House Bill   | Senate Bill   |
|--|---|
| No provision.  | Authorizes the administering authority to terminate CVD or AD investigations it self-initiates. |
| Require notification of the Commissioner of Customs if the administering authority considers violation of an agreement to be intentional.  | No provision.   |
| Requires that within 90 days after any quantitative restriction agreement is in effect the President enter negotiations with foreign governments to seek complete elimination of the subsidy or dumping practices or of their injurious effects; agreement can only be modified within one year if actions taken are satisfactory and public comment taken into account.   | No provision.   |
| CVD or AD duties in the amount of any residual subsidy or dumping margin on injurious imports must replace the quantitative restriction agreement if it expires.   | No provision.   |
| Establishes a procedure for the administering authority and the ITC to monitor imports from additional supplier countries for up to one year in order to determine whether self-initiation of additional dumping cases is warranted.   | No provision.   |
| For monitoring to be required, three conditions must be met: (1) there has been a prior case on the product within the previous two years resulting in final affirmative determinations of dumping and injury; (2) the petitioner must file a formal petition on imports of the same product from another country; (3) the subsequent petition must also allege the elements necessary to impose AD duties exist on the same product imported, or likely to be imported, from one or more additional supplier countries. |   |

| Item  | Present Law   |
|---|---|
| 5. "Natural Resource Subsidies" (sec. 715 of House bill)                  | Any domestic subsidy described in section 771(5) may be subject to a CUD action if it is provided or required by government action to a specific enterprise, industry, or group thereof. Thus, a domestic subsidy involving natural resources may be countervailed, if it meets the specific industry test and is a subsidy of the kind described in section 771(5).  |
| 6. "Upstream Subsidies" (sec. 715 of House bill; sec. 710 of Senate bill) | Section 771(5) defines the term subsidy as having the same meaning as the term "bounty or grant" as that term is used in section 303 of the Tariff Act of 1930, including, but not limited to, specific export and domestic subsidy practices listed. This term has never been explicitly defined to include or exclude subsidies bestowed on products at prior stages of manufacture or production. The list of domestic subsidies under section 771(5) does not explicitly refer to subsidies at prior stages, but does not refer to indirect subsidies. Recent decisions by the Department of Commerce have indicated some degree of coverage of subsidies at prior stages of manufacture or production. |

Includes "natural resource subsidies" under CVD law if they meet the following conditions: (1) a government-regulated or controlled entity sells natural resource products to its own producers at prices which, by reason of such regulation or control are lower than the export price or the fair market value in the exporting country, whichever is appropriate; (2) the internal price must not be one which is freely available to U.S. producers for purchase and export to the U.S. market; and (3) the resource product must constitute a significant portion of the production costs of the final product subject to the investigation. The level of a natural resource subsidy for CVD purposes is the difference between the domestic price and the export price of the natural resource product; if there are no significant exports or the export price is distorted by government manipulation, the administering authority must measure the subsidy by comparing the domestic price to the "fair market value".

Defines an "upstream subsidy" as a practice described in present law which: (1) is paid or bestowed by a government on a product subsequently used to manufacture or produce in that country merchandise which itself becomes the subject of either a CVD or AD investigations; (2) results in a price for the intermediate product lower than the generally available price of that product in that country (adjusted to offset artificial depression due to any subsidies or dumping); and (3) has a significant effect on the cost of manufacturing or producing the final merchandise. The amount of such subsidy included in any CVD or AD duty on the final product is equal to the difference between the price for the intermediate product and the generally available price of that product in that country, adjusted for any artificial price depression.

Foreign countries organized into any customs union would be treated as one country.

No provision.

Definition of upstream subsidy is the same. However, the provision is narrower in scope because the administering authority would only be required to investigate and assess upstream subsidies in CVD cases, rather than in both CVD and AD cases.

Customs unions would be treated as one country if the subsidy is provided by the customs union.

| Item  | Present Law   |
|---|---------------|
| 7. "Downstream Dumping" (sec. 715 of House bill; sec. 712 of Senate bill) |               |
| A. <i>Definition</i>  | No provision. |

*b. Time periods*

Administering authority must make preliminary determination (PD) under section 731 within 160 days after petition filed (within 210 days if case extraordinarily complicated). Final determinations under section 735 must be made within 75 days after PD, or 135 days if postponed by request.

If a product subject to a CVD or AD investigation includes materials or components: (1) which are dumped (i.e., sold below their foreign market value); (2) with a purchase price lower than their generally available price (adjusted to offset artificial depression due to any subsidies or dumping) in the country where the final product is manufactured; and if (3) the resulting price difference has a significant effect on the cost of manufacturing or producing the merchandise under investigation, an amount attributable to "downstream dumping" would be added to the CVD or AD duty on the final product, calculated as the difference between the purchase price of the input and its generally available price (adjusted, if appropriate, for artificial depression) in the country producing the final product.

No provision.

Same definition of downstream dumping in substance, but narrower in scope since it applies only to merchandise subject to AD investigations rather than in both CVD and AD cases. In downstream dumping cases, requires determination of the constructed value of the final product, including the amount of downstream dumping in the calculation of the cost of materials or components. That amount cannot be greater than the amount by which the foreign market value of the input exceeds its purchase price.

Extends the time period for preliminary determinations (PD) in AD cases from 160 to 250 days (from 210 to 310 days in complicated cases) after the petition is filed, if the administering authority concludes such additional time is necessary to determine downstream dumping.

Extends time period for final determinations (FD), if the administering authority finds it necessary for downstream dumping determination, from 75 to 165 days (from 135 to 225 days if postponed) if PD on downstream dumping was negative. If PD was affirmative, final determination on downstream dumping need not be made until conclusion of the first annual review of the AD order; or, at the option of the petitioner, the time period for FD is extended to 165 or 225 days to include downstream dumping determination, but the suspension of liquidation terminates 120 days from the PD and cannot be resumed until publication of an AD order.



| Item   | Present Law  |
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| 8. <b>Cumulation</b> (sec. 715 of House bill; sec. 703 of Senate bill)                           | Under section 771(B) the ITC, in making its determination of material injury, is required to assess both the volume of imports of the merchandise subject to investigation and the consequent effects of such imports. The decision to cumulate is made on a case-by-case basis and is solely within the discretion of each individual Commissioner. This practice has neither been ratified nor prohibited by statute.  |
| 9. <b>“Threat of Material Injury” Criteria</b> (sec. 715 of House bill; sec. 704 of Senate bill) | In making material injury determinations the ITC must consider, among other factors on a case-by-case basis, (1) the volume of imports of the merchandise, (2) the effect of such imports on prices in the United States for like products, and (3) the impact of such imports on domestic producers of like products. In determining whether there is a <i>threat</i> of material injury in CVD investigations, the ITC must consider such information as may be presented by the administering authority on the nature of the subsidy and the effects likely to be caused by the subsidy and the effects likely to be caused by the subsidy. There are <i>no other factors specified in present law</i> for determining the threat of material injury. |

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**House Bill**

Requires that the ITC cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if the imports compete with each other and with like products of the domestic industry in the U.S. market.

Adds criteria the ITC must consider in determining whether there is a probability the merchandise (whether or not actually being imported at the time) will be the cause of actual injury based on any demonstrable adverse trend, including such factors as:

- (1) an increase in production capacity in the exporting country likely to result in a significant increase in exports of the merchandise to the United States;
- (2) a rapid increase in U.S. market penetration and the likelihood such penetration will increase to an injurious level;
- (3) the likelihood that imports will enter at prices that will have a depressing or suppressing effect on domestic prices; or
- (4) a substantial increase in inventories in the United States.

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**Senate Bill <sup>1</sup>**

Requires cumulation of imports from countries subject to final orders, as well as countries under investigation, if the ITC determines (1) the marketing of such imports is reasonably coincident, and (2) imports from each source have contributed to the overall material injury.

Same provision in substance, except:

- (1) also includes any increase in existing unused capacity;
- (2) refers to "probability" instead of the "likelihood";

Includes two additional factors for consideration:

- (1) the presence of underutilized capacity for producing the merchandise in the exporting country; and
- (2) the potential for product-shifting if production facilities owned or controlled by foreign manufacturers which can be used to produce products subject to AD or CVD investigations or final orders are also used to produce the merchandise under investigation.

| Item   | Present Law   |
|--|---|
| <b>10. Interested Parties</b> (sec. 715 of House bill; secs. 604, 708 of Senate bill)                          | <p>Section 771(9) defines the term “interested party” for standing to file petitions on particular merchandise as (1) a foreign manufacturer, producer, or exporter, or U.S. importer, or a trade or business association, a majority of whose members are importers; (2) the foreign government; (3) a manufacturer, producer, or wholesaler of a like product; (4) a union or group of workers representative of an industry manufacturing, producing or wholesaleing a like product; and (5) a trade or business association, a majority of whose members manufacture, produce, or wholesale a like product.</p> |
| <b>11. Simultaneous Investigations</b><br><i>a. Hearings</i> (sec. 716 of House bill; sec. 605 of Senate bill) | <p>Section 774(a) requires the administering authority and the ITC each to hold a hearing before making their final CVD or AD determinations, upon the request of any party to the investigation.</p>   |
| <i>b. Time periods</i> (sec. 709 of senate bill)   | <p>In normal cases, preliminary CVD determinations are required within 85 days, final determination within 75 days thereafter; AD preliminary determinations are required within 160 days, final determinations within 75 days thereafter. Time period are extended in extraordinary complicated cases.</p>   |
| <b>12. Verification of Information</b><br><i>a. CUD Preliminary determinations</i> (sec. 609 of Senate bill)   | <p>No provision in CVD cases. Section 733(b)(2) provides a procedure in AD cases whereby the administering authority makes a preliminary determination within 90 rather than 160 days if sufficient information is received in the first 60 days and the petitioner and each interested party waives verification of that information.</p>  |

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**House Bill**

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**Senate Bill**

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Expands the definition of an interested party with standing to file AD or CVD petitions to include coalitions of firms, unions, or trade associations that have individual standing.

Identical provision except does not make conforming changes in title 28, USC.

If investigations are initiated under both laws within 6 months of each other but before a final injury determination in either case regarding the same merchandise from the same country, only one ITC hearing would be required. The ITC could require a hearing in extraordinary circumstances and would allow submission of additional relevant written comments.

Identical, except the ITC could require hearings during each investigation in "special" rather than "extraordinary" circumstances.

No provision.

If a CVD investigation is initiated simultaneously with an AD investigation on the same merchandise from the same countries, the administering authority, if requested by the petitioner, shall extend the date for the final CVD determination to the date of the final AD determination.

No provision.

Provides for expedited CVD preliminary determinations upon waiver of verification similar to the procedure under section 733(b)(2) for AD cases, except the review would occur within 55 (rather than 75) days based on information received within first 50 (rather than 60) days.

| Item   | Present Law  |
|--|--|
| b. Annual reviews/revocation, (sec. 717 of House bill)                                       | The administering authority is required by section 776(a) to verify all information relied upon in making a final CVD or AD determination. If verification is not possible, the administering authority uses the best information available to it for making the determination. Verification is not required by statute in annual review proceedings under section 751. However, the administering authority normally verifies information where it believes there is a significant issue of law or fact.  |
| 13. Confidential Information (sec. 718 of House bill; sec. 606 of Senate bill)<br>c. Release | Information submitted to the administering authority or the ITC designated as confidential cannot be disclosed to any person (other than those directly concerned with carrying out the investigation) without the consent of the person submitting it unless pursuant to a protective order upon receipt of an application which describes the information requested and reason for the request. Legislative history states the expectation that disclosure generally will be made only to attorneys who are subject to disbarment from practice before the agency. |

| House Bill   | Senate Bill  |
|--|--|
| <p>Requires verification of information whenever the administering authority revokes a CVD or AD order.</p>  | <p>No provision.</p>   |
| <p>Requires verification of information used in annual reviews and of outstanding CVD and AD orders if timely requested by an interested party; such verification is not required if it has occurred upon timely request in the two immediately previous annual reviews, except for good cause shown.</p>  | <p>No provision.</p>   |
| <p>Permits release of confidential information to an officer or employee of the U.S. Customs Service directly involved in conducting an investigation regarding fraud; provides a standardized procedure for requesting confidential treatment and obtaining release of confidential information; and precludes any distinction between corporate and retained counsel in ITC and administering authority regulations governing issuance of protective orders.</p> | <p>Identical provision in substance, except does not include provision removing the distinction between corporate and retained counsel in issuance of protective orders.</p> |

| Item   | Present Law  |
|--|--|
| <i>b. Definition of terms</i> (sec. 622 of Senate bill)          |  |
| <b>14. Judicial review</b>                                       |  |
| <i>a. Interlocutory appeals</i> (sec. 720 of House bill)         | <p>Title V of the Tariff Act of 1930, as amended by Title X of the Trade Agreements Act of 1979, provides for judicial review of CVD and AD proceedings initially in the U.S. Court of International Trade (CIT). The Court of Appeals for the Federal Circuit may review the CIT's decision on an appeal. Under section 516A, certain determinations by the administering authority are reviewable by the CIT prior to the issuance of a final determination or the publication of a final order, i.e., certain interlocutory determinations are reviewable immediately even though the administrative proceeding has not been concluded. Those interlocutory findings which may be reviewed immediately include a negative preliminary determination by the administering authority under section 703(a) or 733(a), a determination that a case is "extraordinarily complicated" under section 703(c) or 733(c), and any annual review determinations under section 751.</p> |
| <i>b. Court of International Trade</i> (sec. 603 of Senate bill) |  |

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**House Bill**

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**Senate Bill <sup>1</sup>**

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No provision.

Eliminates all interlocutory judicial reviews by the U.S. Court of International Trade during the course of CVD and AD investigations. All challenges to agency determinations would be combined and reviewable by the court after final agency action has been taken.

Clarifies when negative portions of affirmative determinations may be reviewed: any part of a final affirmative determination by the administering authority which specifically excludes any company or product may, at the option of the appellant, be treated as a final negative determination and may be subject to appeal within 30 days of publication; other negative aspects of an affirmative determination would be appealable within 30 days after publication of a final order, and if an appellant so chooses, appeal of those portions of an affirmative finding which exclude a product or a company may also be appealed within 30 days of publication of a final order, instead of within 30 days of the determination.

Clarifies that a final affirmative determination by the administering authority may be contested when an appeal is based on a negative determination by the ITC that is predicated on the size of the dumping margin or net subsidy.

No provision.

Substitutes term "proprietary business" for "confidential" throughout section.

No provision.

No provision.

No provision.

Eliminates the U.S. Court of International Trade from judicial review of determinations so all appeals go directly to the Court of Appeals for the Federal Circuit; makes conforming changes in section 2639(a)(1) and 2647 of 28 U.S.C.



| Item   | Present Law   |
|--|---|
| 15. Assessment of CVDs (sec. 711 of Senate bill)                 | Section 706 requires publication of CVD order assessing CVD equal to amount of net subsidy determined or estimated to exist.  |
| 16. Security in Lieu of Estimated Duty (sec. 714 of Senate bill) | Section 736(c) allows waiver of cash deposit for 90 days if administering authority is satisfied based on evidence presented by foreign producers that it can do a review of United States price and foreign market value in 90 days. |

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**House Bill**

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**Senate Bill**

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No provision.

Presumptively applies a CVD order to all merchandise from the country, except it may provide for differing CVDs if (1) the administering authority determines there is a significant differential between companies receiving subsidy benefits; or (2) a state-owned enterprise is involved.

No provision.

Adds the following conditions which must be met before the administering authority may permit posting of bond or other security in lieu of deposit of estimated AD duties:

(1) the case was not designated extraordinarily complicated or the final determination was not postponed;

(2) the party provides credible evidence that the weighted average of the amount by which the foreign value exceeds the U.S. price is significantly less than the amount of such excess specified in the AD order; and

(3) the data on foreign market value and U.S. price apply to sales in the usual whole-sale quantities and ordinary course of trade and the number of sales is sufficient to form an adequate basis for comparison.

| Item  | Present Law  |
|---|--|
| <b>17. Administrative Review of CVD or AD Determinations</b>                  |  |
| <i>a. Annual reviews</i> (sec. 713 of House bill)                             | <p>Section 751(a) requires that a least once during each 12-month period following publication of a CVD or AD order, or notice of suspension of an investigation, the administering authority must (1) review and determine the amount of any net subsidy; (2) review and determine the amount of any AD duty; and (3) review the current status of, and compliance with, any suspension agreement including the amount of any net subsidy or dumping margin involved.</p> |
| <i>b. Revocation</i> (secs. 702, 707 of Senate bill)                          | <p>The administering authority may revoke a CVD or AD order in whole or in part or terminate a suspended investigation after a section 751(a) review.</p>  |
| <b>18. Critical Circumstances Determinations</b><br>(sec. 612 of Senate bill) | <p>If the petitioner alleges, and the administering authority finds critical circumstances in an affirmative preliminary CVD or AD determination, suspension of liquidation applies to unliquidated entries retroactively 90 days. No explicit authority under section 705(a) or 735(a) to make affirmative critical circumstances findings in final determinations, if preliminary finding was negative.</p>  |

| House Bill  | Senate Bill  |
|---|--|
|   | <p>Requires, before permitting posting of bond or other security, that the administering authority (1) make all confidential information available under protective order to all interested parties to the proceeding and (2) afford all interested parties an opportunity to file written comments.</p>   |
| <p>Requires annual reviews of outstanding CVD or AD orders only upon request.</p> | <p>No provision.</p>   |
| <p>No provision.</p>  | <p>Requires that during an ITC investigation, the party seeking revocation of an Ad order have the burden of persuasion on whether there are changed circumstances sufficient to warrant revocation.</p>   |
| <p>No provision.</p>  | <p>Prohibits negative ITC determinations in its review of section 303 cases by request or revocation of CVD orders or termination of suspended investigations on the basis of offsets.</p>   |
| <p>No provision.</p>  | <p>Clarifies that the final CVD or Ad determination on critical circumstances may be affirmative even though the preliminary determination (PD) was negative.</p> <p>If final critical circumstances determination is affirmative, then the administering authority shall—</p> <ol style="list-style-type: none"> <li>(1) continue retroactive suspension of liquidation and posting of cash deposit or security if PD on both subsidies or dumping and critical circumstances were affirmative;</li> <li>(2) apply previous suspension of liquidation and security requirement retroactively 90 days to unliquidated entries if PD on subsidies or dumping was affirmative but critical circumstances negative; or (3) apply any suspension of liquidation and security requirement under section 705(c)(1)(B) to unliquidated entries retroactively 90 days if the PD on subsidies or dumping was negative.</li> </ol> |

| Item  | Present Law   |
|---|---|
| <b>19. Waiver of Deposit of Estimated AD Duties</b> (sec. 613 of Senate bill) | Scope of section 736(c)(1) covers all merchandise entered into the United States as of the date of the first affirmative AD determination (i.e. whether or not sold to an unrelated purchaser which is necessary to compute price), |
| <b>20. Conditional Payment of CVD Duties</b> (sec. 614 of Senate bill)        | No provision.<br>Section 738 requires prior deposit of estimated AD duties with Customs on all entries or removal from warehouse of merchandise subject to AD order.  |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | Changes scope of section 736(c)(1) to cover only entries entered and resold to unrelated purchasers during the period between the first affirmative Ad determination and the ITC's final affirmative determination. |
| No provision. | Adds section 708, almost identical to section 738 for AD duties, requiring that estimated CVDs be deposited by importer with Customs before merchandise subject to CVD order can be removed from warehouse.         |

| Item  | Present Law   |
|---|---|
| 21. Drawbacks (sec. 615 of Senate bill)     | Only AD duties are currently explicitly stated to be normal duties for drawback purposes; CVD duties are not addressed.   |
| 22. Duties of Customs Officers (sec. 616 of | In all cases where AD order been published under which entries have not been liquidated, section 739 requires customs officer ascertain and determine or estimate the foreign market value, United States price, and other information necessary to administer Title VII. |

| House Bill    | Senate Bill   |
|---------------|---|
| No provision. | Treats CVDs as well as AD duties as other customs duties for drawback purposes. |
| No provision. | Strikes section 739.  |



| Item   | Present Law  |
|--|--|
| <b>23. Commercial Quantities of Merchandise</b><br>(sec. 617 of Senate bill) | Uses term “wholesale” quantities in section 771(14), (17), and section 773(a)(1) and (a)(4).   |
| <b>24. Reseller’s Price Transshipments</b>                                   |  |
| <i>a. Purchase price</i> (sec. 618 of Senate bill)                           | No explicit provision in section 772(b).   |
| <i>b. Foreign market value</i> (sec. 619 of Senate bill)                     | Under section 773 the foreign market value in an exporter’s sales price situation is the price at the time of exportation of the merchandise to the United States. |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | Substitutes the term "commercial quantities" for "wholesale quantities".   |
| No provision. | Amends section 772(b) so a reseller's price may serve as purchase price if it is prior to the date of importation and the merchandise is for exportation to the United States.   |
| No provision. | Amends section 773(a)(1) so the foreign market value in an exporter's sales price situation is the price at the time the goods are sold in the United States to an unrelated party.  |
| No provision. | Adds provision to treat an intermediate country as the country from which merchandise was exported if: (1) a reseller purchases the merchandise from the manufacturer or producer; (2) the manufacturer or producer does not know the country at time of sale to the reseller; (3) the merchandise is exported by or on behalf of such reseller to a country other than the U.S.; (4) the merchandise enters the commerce of that country but is not substantially transformed; and (5) the merchandise is subsequently exported to the U.S. |

| Item   | Present Law   |
|--|---|
| <p><b>25. Sampling and Averaging</b> (sec. 719 of House bill; sec. 608 of Senate bill)</p> | <p>For purposes of determining foreign market value only in AD investigations, section 773(1) authorizes the administering authority to use averaging or sampling techniques whenever a significant volume of sales is involved or a significant number of price adjustments is required, and to decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.</p> |
| <p><b>26. Adjustments Study</b> (sec. 732 of House bill; sec. 607 of Senate bill)</p>      | <p>Various statutory adjustments are provided for to obtain comparability between United States price and foreign market value for purposes of determining dumping margins.</p>   |

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**House Bill**

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**Senate Bill**

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Expands the instances in which the administering authority may use sampling and averaging techniques. Authorizes the administering authority, in determining United States price or foreign market value in AD investigations under section 772 and 773 or in carrying out annual reviews of outstanding AD or CUD orders under section 751, to use averaging or generally recognized sampling techniques whenever a significant volume of sales is involved or a significant number of adjustments to price is required, and to decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

Identical provision.

Requires the Secretary of Commerce to undertake a study of current practices that are applied in making adjustments to purchase price, exporter's sales price, foreign market value, and constructed value in determining dumping duties. The Secretary must complete the study within one year after the date of enactment of the bill and submit a written report to the Congress. The report would contain whatever recommendations the Secretary deems appropriate on the need and means for simplifying and modifying current adjustment practices.

Identical provision.

| Item  | Present Law  |
|---|--|
| <b>27. Subsidies Discovered during Proceedings</b><br>(sec. 620 of Senate bill) | Section 775 uses term “investigation”.   |
| <b>28. Ex Parte Meetings</b> (sec. 621 of Senate bill)                          | Section 777(a) requires the administering authority and the ITC to maintain a record of ex parte meetings between persons providing factual information for an “investigation” and the person making the determination or the person making a recommendation to that person. |
| <b>29. Interest</b> (sec. 623 of Senate bill)                                   | Section 778 ties interest on over and under payments of AD or CVD duties to publication date of ITC affirmative determination. Interest rate is 8 percent for the rate in effect when duties determined, whichever is higher.  |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | Substitutes term “proceeding” for “investigation”.   |
| No provision. | Amends section 777(a)(3) to provide that ex parte record requirement applies to “proceedings”, not just investigations, and shall be written if information relating to that proceeding is presented or discussed. |
| No provision. | Changes (1) date of interest payable to the date of publication of a CVD or AD order or AD findings; and (2) the interest rate to the IRC level.   |

| Item   | Present Law  |
|--|--|
| <b>30. Compromise of Cases</b> (sec. 706 of Senate bill)                                     | Section 617 authorizes the Secretary of the Treasury to compromise claims, upon a report by a customs officer or, district or special attorney in charge showing the facts, probability of recovery, and compromise terms.   |
| <b>31. Definition of Domestic Industry</b> (sec. 731 of House bill; sec. 212 of Senate bill) | The term "industry" for purposes of CVD and AD investigations means the domestic producers of a "like product", and the term "like products" has been defined and interpreted to include only those products which are identical or most similar in their characteristics to the imported article. Accordingly, producers of products being incorporated into a processed or manufactured article (i.e., intermediate goods or component parts) are generally not included in the scope of the domestic industry that the ITC analyzes for the purposes of determining injury. |
| <b>Effective Dates</b> (sec. 734 of House bill; sec. 625 of Senate bill)                     | No provision.  |
| <b>References</b> (sec. 701 of House bill; secs. 601, 701 of Senate bill)                    | No provision.  |

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**House Bill**

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**Senate Bill**

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No provision.

Amends section 617 not to apply to any CVD or AD duty.

Defines the domestic industry for purposes of CVD or AD investigations on wine and grape products to include producers of the principal raw agricultural product, if they allege material injury or threat, as well as the producers of wine and grape products.

A previous petition may be refiled under the section if the purpose is to avail the petitioner of this amendment.

Defines the domestic industry for purposes of CVD or AD investigations on any processed agricultural product to include the producers of the principal raw agricultural product if they allege material injury or threat thereof, as well as the producers of the processed product.

Any previous petition may be refiled under this section.

Date of enactment; sections 711, 713, 714, 715, 719 apply to investigations initiated after enactment; section 720 applies to civil actions pending on or filed on or after enactment.

Date of enactment; sections 604, 608 apply to investigations initiated after enactment; section 603 applies to determinations after enactment.

Amendments or repeals of particular provisions refer to provisions of the Tariff Act of 1930.

Identical provision.



**SUBJECT: NONMARKET ECONOMY IMPORTS**

| Item   | Present Law  |
|--|--|
| <b>1. Establishment of Artificial Pricing<br/>Remedy for Nonmarket Economy Imports (Sec.<br/>801 of Senate bill)</b> | <p><i>Dumping.</i> Antidumping duties may be imposed on imported products sold at less-than-fair value and that cause or threaten material injury to a domestic industry. Less-than-fair value is the amount by which the foreign market value exceeds the U.S. price of the product.</p> <p><i>Subsidies.</i> Countervailing duties may be imposed on imported products benefitting directly or indirectly from a subsidy with respect to the manufacture, production, or exportation of the product. If the country of origin is a signatory to the GATT Subsidies Code or has undertaken similar commitments, then countervailing duties will be imposed only if the subsidized product is injuring or threatening material injury to a domestic industry. However, the Department of Commerce has determined that the countervailing duty laws cannot be applied to nonmarket economy imports. (This decision is pending judicial resolution).</p> |

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**House Bill**

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**Senate Bill**

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No provision.

For products imported from nonmarket economy countries, "artificial pricing duties" may be imposed if the products are sold at an "artificial price." The artificial pricing duty is an amount by which the actual price of the product is less than the "minimum allowable import price." If the nonmarket economy country is a GATT member, a signatory to the Subsidies Code, or has undertaken similar commitments, then the imported article must be injuring or threatening material injury to the domestic industry making the like product before duties are imposed.

| Item  | Present Law   |
|---|---|
| 2. Pricing Standard (Sec. 802 of Senate bill) | <p>In dumping cases, foreign market value is calculated according to the following methodological hierarchy:</p> <ul style="list-style-type: none"> <li>a. Home market prices reasonably adjusted for such differences as sales level, physical characteristics, etc.;</li> <li>b. Prices of exports to countries other than the U.S., similarly adjusted;</li> <li>c. Constructed value, based on adjusted material cost plus general expenses and profits;</li> <li>d. For state-controlled economy countries, the home-market price of similar merchandise produced in a surrogate market economy country, or the constructed value in the surrogate.</li> </ul> |

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**House Bill**

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**Senate Bill**

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No provision.

The "minimum allowable import price" means:

a. the trade-weighted average price of market economy producers of a like product in their exports to the U.S. in arms-length sales; or

b. if there are no eligible market economy producers, the constructed value of the product in a market economy country; or

c. if the price under the first method cannot be determined, then the price by which similar merchandise is sold by an eligible market economy foreign producer to the U.S., or to other countries if there are no U.S. sales.

"Eligible market economy foreign producers" are producers of like products exporting to the U.S. and not subject to antidumping or countervailing duty orders.

| Item  | Present Law   |
|---|---|
| <b>3. Showing of Injury by U.S. Industry.</b> (Sec. 801 of Senate bill) | <p>In dumping proceedings, antidumping duties cannot be imposed unless the dumped imported articles are determined to be injuring or threatening material injury to a U.S. industry producing a like product.</p> <p>In subsidy cases, injury to a domestic industry must be shown only if the imports originate in a country that is a party to the GATT Subsidies Code or has undertaken similar commitments.</p> |

| House Bill    | Senate Bill   |
|---------------|---------------|
| No provision. | No provision. |

Material injury to a U.S. industry producing a like product must be shown only with respect to nonmarket economy countries that are members of the GATT, of the GATT Subsidies Code, or have undertaken similar commitments.

| Item   | Present Law   |
|--|---|
| <b>4. Initiation of Artificial Pricing Investigation (Sec. 801 of Senate bill)</b> | <p data-bbox="771 217 936 243">No provision.</p> <p data-bbox="746 270 1353 433">Dumping and subsidy investigations normally are initiated upon receipt of a petition from an interested party representing the industry making a product like the imported product. The Commerce Department also may self-initiate investigations.</p> |

No provision.

An artificial pricing investigation may be self-initiated by the Commerce Department or initiated after receipt of a petition from an interested party making a product like the imported article.

Further, if in an on-going anti-dumping or countervailing duty investigation the Commerce Department determines that the industry is not market oriented, or that there is insufficient verifiable information to proceed normally, the proceeding will be converted into an artificial pricing investigation.

Conversely, if in an on-going artificial pricing investigation sufficient verifiable information is provided to determine either foreign market value or subsidization, and that the industry under investigation is market-oriented, the investigation will be converted into an antidumping or countervailing duty proceeding, as appropriate.



| Item   | Present Law   |
|--|---|
| <b>5. Procedures for Conducting Artificial Pricing Investigation</b> (sec. 801 of Senate bill) | <p data-bbox="751 207 914 237">No provision.</p> <p data-bbox="751 274 1341 328">The following are the basic elements of both dumping and subsidy investigations:</p> <ul style="list-style-type: none"> <li data-bbox="817 328 1264 358">a. Commerce initiates investigation.</li> <li data-bbox="817 358 1341 413">b. ITC begins injury investigation if Commerce initiates.</li> <li data-bbox="817 413 1341 495">c. ITC makes preliminary determination of whether there is reasonable indication of material injury.</li> <li data-bbox="817 495 1341 578">d. If (3) is affirmative, Commerce proceeds to determine preliminarily if there is reasonable basis to believe dumping exists.</li> <li data-bbox="817 578 1325 608">e. Commerce makes final determination.</li> <li data-bbox="817 608 1341 663">f. If (5) is affirmative, ITC makes final determination of injury.</li> <li data-bbox="817 663 1341 717">g. If (6) is affirmative, antidumping order is issued.</li> </ul> <p data-bbox="751 717 1341 838">In general, the time limits for subsidy cases are shorter than for dumping cases. Also, whether the ITC conducts an injury investigation in a subsidy case depends on the country of origin of the imported product.</p> |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | The elements, procedures, and time limits for artificial pricing investigations are the same as for normal subsidy investigations. |

**SUBJECT: AUTHORIZATION OF APPROPRIATIONS FOR FY 1985 FOR THE U.S. INTERNATIONAL TRADE COMMISSION, U.S. CUSTOMS SERVICE, AND U.S. TRADE REPRESENTATIVE**

| Item  | Present Law  |
|---|--|
| 1. U.S. International Trade Commission (ITC) (sec. 801 of House bill) | Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires annual enactment of an authorization of appropriations for the ITC.  |
|   | Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requires that the estimated expenditures and proposed appropriations of the agency be included in the President's budget without revision. |
| 2. U.S. Customs Service (sec. 802 of House bill)                      | Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service.        |

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**House Bill**

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**Senate Bill <sup>1</sup>**

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There are authorized to be appropriated for FY 1985 an amount not to exceed \$28,410,000, not more than \$2,500 of which may be used for entertainment expenses.

Identical provision.

For FY 1985 there are authorized to be appropriated to the Department of the Treasury for salaries and expenses of the U.S. Customs Service an amount not to exceed \$686,399,000, of which \$28,070,000 is for operation of the air interdiction program; no more than \$11,000,000 is for implementation of "Operation Exodus" and related programs.

No part of the authorized funds may be used to pay any employee more than \$25,000 in overtime pay unless waived by Commissioner to meet emergency.

For FY 1985, there are authorized to be appropriated \$662,239,000 without restrictions.

<sup>1</sup> This column reflects the Senate version of H.R. 5188, which was favorably reported by the Committee on Finance. However, these provisions are not a part of H.R. 3398 as passed by the Senate.

| Item  | Present Law   |
|---|---|
| <b>3. Office of the U.S. Trade Representative (USTR)</b> (sec. 803 of House bill) | Section 141(f) of the Trade Act of 1974 authorized appropriations to the Office of the U.S. Trade Representative in such amounts as may be necessary for the purpose of carrying out its functions. |

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| House Bill   | Senate Bill  |
|--|--|
| Authorizes \$14,179,000 for FY 1985, no more than \$68,000 of which may be used for entertainment and representation expenses. | Same, except, no more than \$80,000 may be used for entertainment and representation expenses. |

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**SUBJECT: STEEL**

(The House bill contains only the provisions of the Steel Import Stabilization Act (previously H.R. 6301) The Senate bill contains no parallel to the Steel Import Stabilization Act, but does contain two separate and different provisions, sections 243 and 715, relating to authority to enforce trade restraints on certain steel products. In order to cover all provisions relating specifically to steel trade both Senate provisions appear under the column heading "Senate Bill" and are compared with similar provisions in the House bill.)

| Item  | Present Law   |
|---|---------------|
| 1, Short Title (sec. 901 of House bill)                                       | No provision. |
| 2. Findings (sec. 902(a) of House bill)                                       | No provision. |
| 3. Purposes (sec. 902(b) of House bill; sec. 715, 243 of Senate bill)         | No provision. |
| 4. Sense of Congress regarding fair import share (sec. 903(1) of House bill)  | No provision. |
| 5. Sense of Congress regarding antitrust effects. (sec. 903(2) of House bill) | No provision. |

| House Bill  | Senate Bill   |
|---|---|
| Steel Import Stabilization Act.   | No provision.   |
| <p>Six findings concerning need to reinvest and modernize; adverse effects of overvalued dollar, deficits, serious injury due to imports of and unfair trade in steel; difficulties of using trade remedy laws; need for expeditious action by Executive branch, including self-initiation; requirement that import relief be tied to commitment to modernize; benefits of full and effective implementation.</p> | No provision.   |
| <p>To provide the President with authority to enforce bilateral restraint arrangements subject to the condition that the steel industry undertake comprehensive modernization.</p>  | <p>Section 715. To monitor and enforce export measures required by a foreign government or customs union.</p> |
| <p>President should use this authority to restore the overall national import share to a level reflecting conditions of fair, unsubsidized competition, a level which the Congress believes should be approximately 17%.</p>  | <p>Section 243. To enforce the terms of the U.S.-E.C. Arrangement on Pipe and Tube.</p>                       |
| <p>The national steel policy should be implemented in a manner contrary to the antitrust laws.</p>  | No provision.   |
|   | No provision.   |



| Item  | Present Law  |
|---|--|
| <b>6. Sense of Congress regarding future action</b><br>(sec. 903(3) of House bill)                                  | No provision.  |
| <b>7. Definition of “bilateral arrangement”</b> (sec. 904(1) of House bill)   | No provision.  |
| <b>8. Definition of “carbon and alloy steel products”</b> (sec. 904(2) of House bill; sec. 715, 243 of Senate bill) | Section 626 applies to “steel mill products” subject to the US-EC Arrangement on Carbon Steel. |
| <b>9. Definition of “national policy for the steel industry”</b> (sec. 904(3) of House bill)                        | No provision.  |
| <b>10. Definition of “steel industry”</b> (sec. 904(4) of House bill; sec. 715 of Senate bill)                      | No provision.  |

| House Bill  | Senate Bill  |
|---|--|
| <p>If the President's program does not produce satisfactory results within a reasonable period of time, the Congress will consider taking future legislative action.</p>  | <p>No provision.</p>   |
| <p>"Bilateral arrangement" means any arrangement, agreement, or understanding (including, but not limited to, any surge control understanding or suspension agreement) between the U.S. and any foreign country setting quantitative limitations or other restrictions on the exportation to the U.S. of carbon and alloy steel products.</p>                         | <p>No provision.</p>   |
| <p>"Carbon and alloy steel products" means articles of the kinds subject to the ITC § 201 investigation (not limited only to products with injury findings) plus TSUS items 652.97 (offshore oil and natural gas drilling and production platforms and parts thereof made of iron or steel) and 653.00 (other fabricated structural units made of iron or steel).</p> | <p>Section 715. Applies generally to "steel products"; may reach both carbon and specialty steel.</p> <p>Section 243. applies only to steel pipe and tube export from the EC to the U.S.</p> |
| <p>"National policy for the steel industry" means those actions and elements described in Exec. Comm. 4046, dated Sept. 18, 1984 (H. Doc. 98-263), transmitting the President's decision in the section 201 carbon and alloy steel case.</p>  | <p>No provision.</p>   |
| <p>"Steel industry" means producers in the U.S. of carbon alloy steel products.</p>   | <p>Section 715. May reach both carbon and specialty steel industries.</p>  |

| Item   | Present Law  |
|--|--|
| <b>11. Enforcement Authority: General provision</b><br>(sec. 905(a) of House bill; sec. 715, 243 of Senate bill) | Authorizes Sec. of Treasury to require presentation of a valid export license or other documents issued by the EC for entry into the U.S. of steel mill products subject to the U.S.-EC Arrangement on Carbon Steel. |

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**House Bill**

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Authorizes President to enforce the quantitative limitations and restrictions (including export measures required by a foreign government) contained in each bilateral arrangement, subject to the annual renewal provisions. Such actions may include, but are not limited to, requirements that valid export licenses or other documentation issued by a foreign government be presented as a condition for the entry into the U.S.

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**Senate Bill**

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Section 715. Authorizes Sec. of Treasury, upon receipt of a request by the President and by a foreign government, to require the presentation of a valid export license or other documents issued by such foreign government as a condition for entry into the U.S. of steel products specified in the request.

Section 243. Authorizes Sec. of Commerce to request the Sec. of Treasury to take action to enforce the terms of the U.S.-EC Arrangement on Pipe and Tube as identified by the Sec. of Commerce. (Sec. of Commerce determines whether exports are exceeding limits or distortion among categories is occurring).

| Item  | Present Law   |
|---|---|
| 12. <b>Enforcement Authority: Application</b> (sec. 905(b) of House bill; sec. 243 of Senate bill). | No provision.   |
| 13. <b>Enforcement Authority: Regulations</b> (secs. 243, 715 of Senate bill)                       | Authorizes Sec. of Treasury to provide by regulations for terms and conditions under which steel mill products from the EC attempted to be entered into the U.S. without a valid export license or other document may be denied entry into the U.S. |

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**House Bill**

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President shall use enforcement authority, to the extent practicable, to cover all product categories, avoid distortions among categories, and cover all countries from which surges in steel exports are being or have been experienced.

No provision.

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**Senate Bill**

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Section 243. Regarding U.S.-EC Arrangement or Pipe & Tube, Sec. of Commerce designates limitations on product categories within overall pipe and tube restriction; determines when and to what extent distortion among categories is occurring. Increases in tonnage limits with respect to appropriate categories may be authorized in cases of emergency economic situations related to domestic market demand for pipe and tube (including domestic processing and production).

Sections 243, 715. Authorize the Sec. of Treasury to provide by regulation for terms and conditions under which steel products may be denied entry into the U.S.

| Item  | Present Law   |
|---|---------------|
| <b>14. Enforcement authority: Duration</b> (sec. 906(a) of House bill)                                    | No provision. |
| <b>15. Enforcement Authority: Annual renewal</b> (sec. 906(a) of House bill)                              | No provision. |
| <b>16. Annual Determination: Basic test</b> (sec. 906(b)(1) of House bill)                                | No provision. |
| <b>17. Annual Determination: Company-specific cash flow requirement</b> (sec. 906(b)(2)(A) of House bill) | No provision. |
| <b>18. Annual determination: Company-specific worker retraining</b> (sec. 906(b)(2)(B) of House bill)     | No provision. |

| House Bill   | Senate Bill   |
|--|---------------|
| Limited to five years, subject to annual renewal provisions.   | No provision. |
| In order for enforcement authority to renew for an additional year, President must submit, prior to year-end, an affirmative determination to Ways & Means and Finance, in writing and with reasons for decision. If no such determination is submitted enforcement authority terminates (permanently).  | No provision. |
| President must determine that the domestic steel industry, taken as a whole, has, during the previous year, (a) committed substantially all of its net cash flow steel operations to reinvest in and modernization of the steel industry; and (b) taken sufficient action to maintain its international competitiveness, including discipline of costs and prices. | No provision. |
| The industry-wide net cash flow requirement will not be met unless each of the major companies with significant reinvestment and modernization needs has committed all of its net cash flow (minus the amount required for worker retraining) to meet those needs.   | No provision. |
| The industry-wide net cash flow requirement will also not be met unless each of the major companies that has or reasonably anticipates significant unemployment has committed at least 1% of net cash flow to worker retraining.   | No provision. |



| Item   | Present Law   |
|--|---|
| <b>19. Annual determination: Definition of “major company”</b> (sec. 906(b)(3)(A) of House bill) | No provision.   |
| <b>20. Annual Determination: Definition of “net cash flow”</b> (sec. 906(b)(3)(B) of House bill) | No provision.   |
| <b>21. Annual Determination: Source of information</b> (sec. 906(b)(4) of House bill)            | No provision.   |
| <b>22. DOL Worker Assistance</b> (sec. 907 of House bill)  | No provision.   |
| <b>23. TAA Authorization</b> (sec. 908 of House bill)  | The worker and firm trade adjustment assistance programs under the Trade Act of 1974 are presently authorized through September 30, 1985. |
| <b>24. Effective Date of Act</b> (sec. 909 of House bill)  | No provision.   |

| House Bill  | Senate Bill          |
|---|----------------------|
| <p>“Major company” means an enterprise whose raw steel production in 1983 exceeded 1.5 million tons; reaches the 8 largest steel producers.</p>   | <p>No provision.</p> |
| <p>“Net cash flow” means annual net (after-tax) income plus depreciation, depletion allowances, amortization, and changes in reserves minus dividends.</p>  | <p>No provision.</p> |
| <p>President shall base his annual determination on information available from the ITC and other appropriate sources.</p>   | <p>No provision.</p> |
| <p>Requires the Sec. of Labor to prepare, in consultation with the tripartite Steel Advisory Committee, and submit to Congress within 6 months, a proposed plan of action for assisting workers in communities adversely affected by steel imports, including retraining and relocation assistance. Such plan shall be based on existing authorities, but also recommend additional legislative authority as necessary to carry out the purposes of the plan.</p> | <p>No provision.</p> |
| <p>Extends the current authorization for worker and firm trade adjustment assistance under the Trade Act of 1974 for 2 additional years, through September 30, 1987.</p>  | <p>No provision.</p> |
| <p>October 1, 1984</p>  | <p>No provision.</p> |

**SUBJECT: INTERNATIONAL TRADE AND EXPORT POLICY STUDY COMMISSION**

**(Sections 901-906 of Senate Bill)**

| Item  | Present Law   |
|---|---------------|
| <b>Establishment of an International Trade and Export Policy Study Commission</b> | No provision. |

| House Bill    | Senate Bill  |
|---------------|--|
| No provision. | <p>Would establish an 18 member commission composed of 6 Senators, 6 Members of the House, and 6 individuals especially qualified because of "education, training, or experience"</p> <p>The commission shall make recommendations regarding changes in the laws and regulations to stimulate exports and to provide for the removal of trade barriers.</p> <p>The commission shall deliver its report to the President by, and will pass out of existence on, 7/1/85.</p> |

**SUBJECT: WINE TRADE**

| Item   | Present Law   |
|--|---------------|
| 1. <b>Short Title</b> (sec. 1001 of House and Senate bills)                                | No provision. |
| 2. <b>Congressional Findings and Purposes</b> (sec. 1002 of House and Senate bills)        | No provision. |
| 3. <b>Definitions</b> (sec. 1003 of House and Senate bills)                                | No provision. |
| 4 <b>Designation of Major Wine Trading Countries</b> (sec. 1004 of House and Senate bills) | No provision. |

| House Bill  | Senate Bill          |
|---|----------------------|
| “Wine Equity and Export Expansion Act of 1984”  | Identical provision. |
| Lists various findings concerning economic factors affecting the competitiveness of the U.S. wine and grape product industries, including restrictive foreign barriers to U.S. wine exports. The purposes of the bill are to expand wine consumer choice, to encourage wine export promotion, and to achieve greater foreign market access for U.S. wine. | Identical provision. |
| Defines various terms used in the Act.  | Identical provision. |
| Requires the USTR to designate major wine trading countries, which are significant potential markets for U.S. wine and maintain tariff and nontariff barriers to (or other distortions of) U.S. wine trade.   | Identical provision. |

| Item   | Present Law   |
|--|---------------|
| <b>5. Action to Reduce or Eliminate Tariff and Nontariff Barriers Affecting Wine (sec. 1005 of House and Senate bills)</b> |               |
| <i>a. Consultations</i>  | No provision. |
| <i>b. Reports</i>  | No provision. |

The President must direct the USTR to consult with each country to seek reduction or elimination of its barriers or other distortions of trade in U.S. wine.

Identical provision.

The President must submit a report to the House Committee on Ways and Means and the Senate Committee on Finance within 13 months after date of enactment on each country concerning efforts to expand wine exports. Each report would include: (1) a description of each trade barrier; (2) an assessment of the extent each barrier is subject to a trade agreement; (3) action taken or proposed under existing authority to eliminate or reduce the barrier, including, but not limited to, action under section 301 and negotiation or consultations, (4) reasons for not taking such action; and (5) recommendations to Congress on any additional authority or action necessary and appropriate.

Identical provision, except any action includes any action under the Trade Act of 1974 instead of reference to section 301.



| Item   | Present Law   |
|--|---|
| <i>c. Presidential Action</i>  | <p>Section 301 of the Trade Act of 1974 provides that basic broad authority for the President to enforce U.S. rights under trade agreements and to respond to other acts, policies, or practices which are unjustifiable, unreasonable, or discriminatory and burden or restrict U.S. commerce. If he determines action is appropriate the President must take all appropriate and feasible action within his power to enforce such rights or obtain elimination of the act, policy, or practice, and may (1) suspend, withdraw, or prevent application of trade agreement benefits and (2) impose duties or other import restrictions.</p> |
| <p><b>6. Required Consultations</b> (sec. 1006 of House and Senate bill)</p> | <p>No provision.</p>  |

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**House Bill**

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If the President after taking into account information and advice, has reason to believe a barrier to, or other distortion of, trade in U.S. wine is a violation of or inconsistent with a trade agreement or is unjustifiable, unreasonable, or discriminatory and burdens or restricts U.S. commerce, he must take action under section 301, if he determines such action is appropriate.

The USTR must consult with representatives of the wine and grape products industries and with the House Committee of Ways and Means and the Senate Committee on Finance on (1) identifying countries and trade barriers; (2) preparing the report, and (3) whether section 301 action is appropriate.

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**Senate Bill**

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Identical provision except: (1) The President determines action is appropriate to respond to such acts, policies, or practices; and (2) all appropriate action refers to the Trade Act of 1974 instead of section 301.

Identical provision, except consultations on whether action is appropriate applies to any provision of the Trade Act of 1974.

| Item  | Present Law   |
|---|---|
| <p><b>7. U.S. Wine Export Promotion</b> (sec. 1007 of House and Senate bills)</p> | <p>Section 135 of the Omnibus Budget Reconciliation Act of 1982 (OBRA) requires the Secretary of Agriculture to use not less than \$175 million or more than \$190 million in each of fiscal years 1983, 1984, and 1985 of funds of the Commodity Credit Corporation (CCC) for export activities authorized to be carried out by the Secretary or by the CCC, in addition to any authorities under other provisions of law.</p> |

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**House Bill**

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**Senate Bill**

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Encourages the President to use FY 1985 funds under section 135 of the OBRA to initiate a wine export promotion program in cooperation with winery representatives, and to request an appropriation each following year for the program which is not at the expense of requests for promotion of other agricultural commodities.

Identical provision.

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